

DECEMBER 1955

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

BANKING

An Old Time
Merry Christmas!



Electronics Down to Earth (page 49)

It Pays to Team Up with Farm Agencies (page 58)



**FOOTBALL PLAYERS BANK
(circa 1880)**

The action of the football players on this mechanical coin bank made thrift an entertaining habit as well as a rewarding one. When the tackles were placed in position, a coin inserted and a lever pressed, a lively scrimmage resulted. This bank is now quite rare and ranks as a prized collector's item.

Your bank is well protected

when the Aetna Plan carries the ball

While many oldtime mechanical coin banks like this were cleverly contrived, they were designed to encourage thrift rather than to provide protection.

The primary purpose of the Aetna Plan, however, is planned protection. Using this tested system of risk and insurance analysis, your Aetna agent can safeguard your bank from practically every insurable risk.

In setting up the Plan, your Aetna agent carefully analyzes your present policy lineup,

matching its protection against the hazards you may reasonably expect. He then works out a revised system of policies, closing any coverage gaps that may exist. Finally, he sets up a rigid control plan which keeps your insurance program always abreast of your bank's changing needs.

Your nearest Aetna agent will be glad to tell you all the details of the Aetna Plan and how it has helped hundreds of banks get better protection. Why not call him — soon.

**AETNA CASUALTY
AND SURETY COMPANY**

Affiliated with Aetna Life Insurance Company • Automobile Insurance Company • Standard Fire Insurance Company • Hartford 15, Connecticut



BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

CONTENTS FOR DECEMBER 1955

Some material belongs in several different classifications but for your convenience is usually listed under one heading only

HERE AND ABROAD

THE OUTLOOK AND CONDITIONS OF BUSINESS

WASHINGTON—FARM AID; "FLOW OF FUNDS"	William R. Kuhns	33
CONCEPT	Lawrence Stafford	36
PRIVATE FUNDS SHOW INTEREST IN FOREIGN PORTFOLIOS	Herbert Bratter	39
NORTH OF THE BORDER—CANADA AND PETROLEUM	Charles M. Short	45
"DEAR SANTA —" (CARTOON)	Dick Ericson	46
CONNECTICUT BANKERS HOLD A FLOOD DISASTER CONFERENCE		53
HOUSING CENTER		96
"BASIC PRINCIPLES" FOR HOLDING COMPANIES		149

PEOPLE

JUST A MINUTE		3
AROUND OUR BANK	Belle S. Hamilton	14
HEARD ALONG MAIN STREET		18
A BANKER BUILDS HIS COMMUNITY'S RESOURCES	Robert W. Reese	68

TAXES, TRUST AND LEGAL

SELECTION OF PROPERTY FOR GIFT PURPOSES	William J. Bowe	52
HIGHLIGHTS OF 1955 STATE BANKING LEGISLATION	John René Vincens	72
NEWS FOR TRUSTMEN		82
24TH MID-CONTINENT TRUST CONFERENCE	Theodore Fischer	88

INVESTMENTS

GOVERNMENT BONDS	Murray Olyphant	54
THE INVESTMENT MARKETS	H. Eugene Dickhuth	55

ADVERTISING—PUBLIC RELATIONS AND EDUCATION

DO-IT-YOURSELF BANK DISPLAYS	Julian L. Marwell	34
PUBLIC RELATIONS		43
TELLERS VISIT CUSTOMERS	George M. Wasem	44
HOME IMPROVEMENT LOAN ADS		50
OPERATIONS AND PERSONNEL		
METHODS AND IDEAS		40
INTERCAGE CASH TRANSFER	Paul D. Henry	42
AN INFORMATIVE CASE HISTORY IN BRANCH LOCATION	Wendell August, Jr.	48
ELECTRONICS DOWN TO EARTH	Harry E. Mertz	49
POST-TO-CHECK PLAN FOR PERSONAL ACCOUNTS	Carl G. Linke and William F. Schweikert	56
SINGLE-CARD SAFE DEPOSIT SYSTEM	John N. Raleigh	57

GENERAL NEWS

BANKING NEWS		76
INSTALMENT CREDIT		81
TRUST		82
SAVINGS		83
MORTGAGE CREDIT		85
CALENDAR		87
AMERICAN BANKERS ASSOCIATION		
AMERICAN INSTITUTE OF BANKING		
GRADUATE SCHOOL OF BANKING		
24TH MID-CONTINENT TRUST CONFERENCE	Theodore Fischer	76-87, 88, 116, 146
NABAC'S MILE-HIGH MEETING	John L. Cooley	92
NEW BOOKS		145
THIRTY G.S.B. THESES GAIN LIBRARY ACCEPTANCE		146
IDEAS FOR READERS		148
SAVINGS BONDS VOLUNTEERS, TREASURY PLAN PROMOTION		150

THE COUNTRY BANKER

IT PAYS TO TEAM UP WITH FARM AGENCIES		
Wayne A. Corpening		58
NEWS FOR COUNTRY BANKERS	Mary B. Leach	61

BANKING's Advertisers . . . 151

*There are stars in the sky
as well as thunder and lightning*



There is goodwill in the hearts of men at Christmas. There's a warm welcome for the neighbor — a deep desire for friendship between nations—a determination to achieve lasting peace. »« Clouds scud along the horizon, sometimes building up to frightening thunderheads. Angry voices thunder without reason—and threats, like lightning, break and crash over the people's heads. »« Yet the eternal stars are there—stars of Hope, of Faith, of Love—now dimmed or hidden by the clouds — now breaking through with a clarity and brilliance and strength that will not be denied. »« May these stars be seen and followed by the wise men of all nations.

May they light the path to peace.
That is the Christmas prayer of the people.

CHRISTMAS 1955 • BANKERS TRUST COMPANY, NEW YORK

Once more we reprint this now familiar prayer of ours, exactly as it was written eight years ago.

Just a Minute

Christmas

BANKING asked Graham Hunter to put into picture form its wish: an old-fashioned "Merry Christmas, everybody!"

His fulfillment of our request—the December cover—is a pleasant symbol of seasonal good cheer, and a quiet reminder that Holiday goodwill is a commodity that can really be used any day.

B-r-r-r!

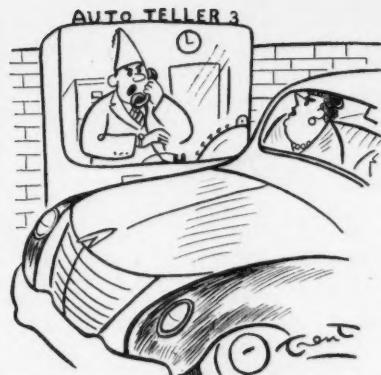
THIS winter, says *The Old Farmer's Almanac* for 1956, will be "as severe as any of the 20th Century."

The 164th consecutive edition of the famous publication advises:

"Keep a sharp eye on 1956." Astronomical occurrences—"a probable change in tidal forces which will be caused by the relative positions of the earth to the sun and moon"—may alter ocean currents and affect world climate.

"At certain periods in the earth's history," reports the OFA, "notably 500 B.C. and 1434 A.D. (perhaps again 3284 A.D.), the culmination or major peak of the tidal force rhythm was a dire thing. We do not anticipate that 1956 will be as 'dangerous' as were these years," it adds, reassuringly.

Forecaster Abe Weatherwise goes out on his annual limb with these previews of the next four months:



"Our Christmas party begins in three minutes, and you have to ask what your balance is!"

"December 1955: Blustery and cold (1-7), snows (8-10), rain and sleet (11-17), cold—very cold (18-31) with some snow flurries.

"January 1956: Snow, rain, and wind (1-11), cold spell (12-22), thaw (23-25), blizzard (26-31).

"February: Cold and stormy (1-11), cold spell (12-16), rain or snow (17-23), easterly gales with snow (24-28).

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

Our cover this month is
intended simply to say

Merry Christmas



BANKING is a member of the Audit Bureau of Circulations, the Magazine Publishers Association, Inc., and the Society of Business Magazine Editors



TITLE REGISTERED U. S. PATENT OFFICE
BANKING—Vol. XLVIII, No. 6. Published monthly
at 5601 Chestnut Street, Philadelphia 39, Pa.
Copyright 1956 by American Bankers Association,
Merle Selecman, Executive Manager, 12 East
36th Street, New York 16, N. Y., U. S. A.

Send Editorial, Subscription and Advertising Communications to 12 East 36th St., New York 16, N. Y., U.S.A.

Chicago Office (John J. McCann), 33 South Clark Street, Chicago 3, Ill.; Washington office, 730 Fifteenth Street, N.W. Subscriptions: \$5.00 yearly; Canada, \$5.50; foreign, \$6.00; single copies, 50 cents. Entered as second-class matter at the Post Office, Philadelphia, Pa., under the Act of March 3, 1879. With the exception of official Association announcements, the American Bankers Association disclaims responsibility for opinions expressed and statements made in articles published in this Journal.

BANKING

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

The Staff

<i>Editor</i>	WILLIAM R. KUHNS
<i>Managing Editor</i>	WILLIAM P. BOGIE
<i>Senior Associate Editor</i>	JOHN L. COOLEY
<i>Associate Editor</i>	MARY B. LEACH
<i>Associate Editor</i>	THEODORE FISCHER
<i>Assistant Editor</i>	ETHEL M. BAUER
<i>Assistant Editor</i>	RUTH E. BUCKWELL

<i>Advertising Manager</i>	JOHN J. McCANN
<i>Assistant Advertising Managers</i>	ROBERT J. STIEHL JOHN R. PRANN
<i>Representative: East</i>	WILLIAM E. MOHAN

<i>Circulation Manager</i>	ROBERT R. SPOONER
----------------------------	-------------------

GOING OUR WAY?

-
-
-

Chances are your client will some day come into the booming Delaware Valley. When they do, you will want them to receive the best banking service. That is when you should turn to Central-Penn.

We have more than 125 years of experience to put to work in your behalf, plus the size and stability produced by steady growth.

So, when you come Delaware Valley way, make your way first to Central-Penn.

CENTRAL-PENN NATIONAL BANK

OF PHILADELPHIA

Member Federal Deposit Insurance Corporation
Member Federal Reserve System

CONTROL —

The safe-keeping of wills, valuable papers, etc.

PROTECT —

Combinations of safes and vaults, etc.

SAFEGUARD —

Safe Deposit, Master and Grand Master keys.

"the foolproof envelope lock that safeguards contents!"

SAMPLES
ON
REQUEST



"March: Dust and snow laden winds (1-4), unsettled (5-9), snow-storm (10-14), tornadoes and gales (15-23), fair (24, 25), rain or haze (26-31)."

The *Almanac*, published in Dublin, N. H., is "fitted for Boston and the New England States, with special corrections and calculations to answers for all the United States."

Frank Totton

HE was one of the men you don't forget. When you met him or heard him speak, you felt better for the contact.

Frank was a powerful orator, a master storyman. He talked to hundreds of audiences: bankers, young people, church, Masonic and Y.M.C.A. groups, to suggest a few of his many interests. Everybody always exclaimed, "What a speaker!"

A collection of his inspirational messages and humor, made by his widow since his sudden death in Florida a year ago, has been published by the Association Press, New York, under the title *Talks and Stories by Frank M. Totton*. The little book (\$3), dedicated to the Tottons' three sons, David, Robert, and Stephen, includes a dozen friends' appreciations of his service to human beings.

An unsigned introductory tribute says:

"Frank Totton was abstemious, but often was the most popular guest at a reception or a cocktail

party. To some who first met him he seemed too good to be true; yet as they grew to know him better they realized that he was both true and good. He was warm, compassionate, and human, moved as much by his heart as his mind."

He retired from his Chase National Bank vice-presidency at 64, only to take on the job of being executive director of the Foundation of the Presbyterian Church, U.S.A. He held that position when a coronary thrombosis ended his life.

Tributes in this book are from John J. McCloy, Thomas J. Watson, John D. Rockefeller, Dr. Norman Vincent Peale, Everett D. Reese, and the American Institute of Banking, among others. Mr. Reese was president of the A.B.A. while Mr. Totton headed its Public Relations Council.

There are 16 talks and many, many stories in the volume. It slips easily in and out of one's pocket. And like F.M.T., it makes a good companion.

A Kid and His Money

THREE'S a story back of Dick Ericson's Christmas cartoon below.

When he brought it in he said: "Credit my son Bill with this one."

To our "How come?" Dick explained: "Well, the boy got some money for his last birthday. That evening he suggested we go down to the bank and drop it in that out-

(CONTINUED ON PAGE 6)





Ring in the New Year...



but don't forget the old

As always, the new year will be greeted with rejoicing and with bright new hope. But congratulations and words of praise are in order for old 1955, too—especially for the accomplishments made during this 80th anniversary year of the American Bankers Association.

Through support of vital government fiscal programs as well as financial assistance to both industry and individuals, the American banker has completed another year of outstanding service to community and nation. His diligence and foresight have contributed immeasurably to the ever-increasing strength and unparalleled prosperity of America today.

So while we look forward to the good things the future promises
...let's not forget the many achievements of the past.

*Safety Paper Division
Hammermill Paper Company*

ERIE, PENNSYLVANIA



(CONTINUED FROM PAGE 4)

side slot, just in case the house should be robbed or burned before morning."

Dad commended the boy for his sense of responsibility, moneywise, but suggested that "tomorrow" would probably be all right for the errand.

As things turned out, it was.

P.S. See Dick's "Dear Santa" feature, pages 46 and 47.

Arkansas Memories

DR. E. H. Abington of Beebe, Ark., is a druggist and banker as well as a physician, and he reminisces about all three professions in *Back Roads and Bicarbonate*, a lively book published by Vantage Press, New York.

President of the Citizens Bank of Beebe, Dr. Abington, now 82, covers three-quarters of a century of time and many square miles of Arkansas and Oklahoma in his narrative. He's still an active doctor, but does "only office practice."

Adventures crowd the book. They include a few good holdups in which an earlier Abington bank in Beebe figured.

After Art, Shirts

A REPORTER for the *Boston Herald* saw a story in a bank's display of a customer's merchandise, and wrote this piece:

"Even without the FDIC, depositors in the Cambridge Trust Company, Harvard Square, cannot 'lose their shirts.' Shirts and neckties, too, are in the window of this inde-

(CONTINUED ON PAGE 11)

The fellow who drives this year's car on next year's salary may wear last year's suit and shoes.

He who hesitates loses the place to park his car.

What makes a garage door so small to a woman and the eye of a needle to be threaded so small to a man?

The man who boasts he never made a mistake is often married to a woman who did.

To all our friends...

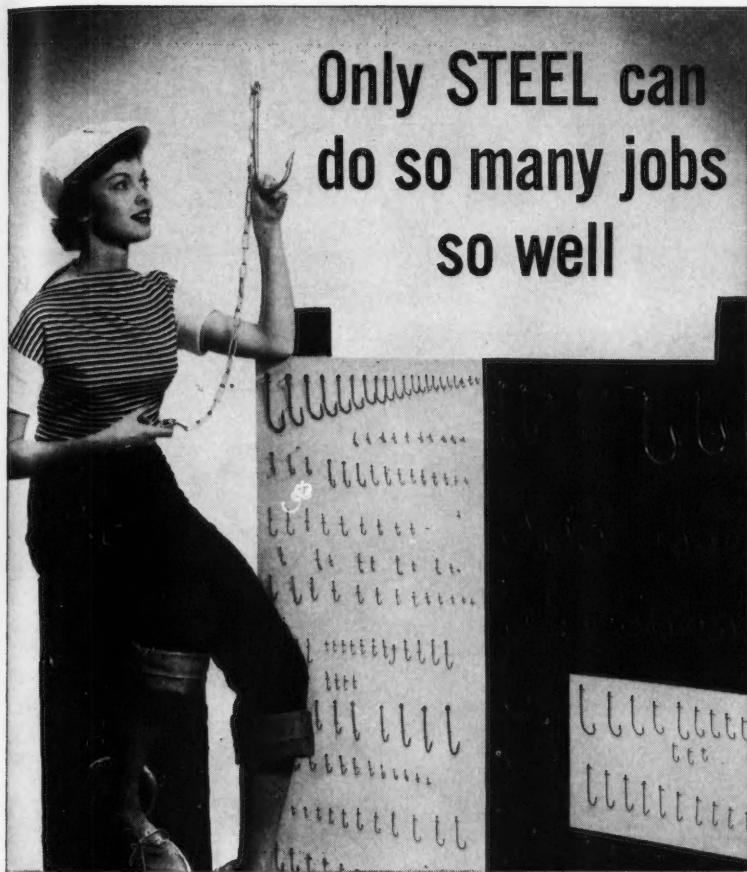
we wish a most sincere
Merry Christmas
and
Happy New Year

from everyone at

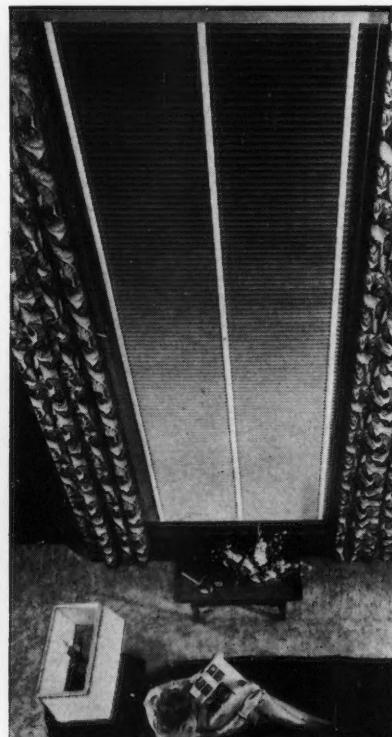
ST. LOUIS TERMINAL
FIELD WAREHOUSE COMPANY

826 Clark Avenue • St. Louis, Missouri
District Offices in all Major Cities

ST. LOUIS TERMINAL
FIELD WAREHOUSE CO.
FIELD
WAREHOUSING

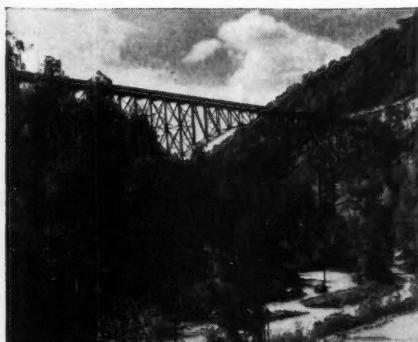


**Only STEEL can
do so many jobs
so well**



Like Flicking A Light Switch. Want finger-tip control of light and air in your home or office? You get this with venetian blinds made of steel. And steel venetian blinds are made in just about any size you will ever need—like the whopper shown here. In addition to their trim beauty, steel slats give privacy and protect rugs, draperies and furniture from sun damage. Steel slats are flexible and tough, easy to clean, and they will not crack or warp.

It's No Fish Story. More than 1000 pounds of steel are used every day, just to make fish hooks. Those giant hooks in the picture are used to catch tuna, marlin or albacore. About 3000 of the small No. 6 trout hooks can be made from a single pound of steel.



Bridge-Builders Paradise is the recently completed West Virginia Turnpike. Its 88-mile length required 76 bridges, built from 23,500 tons of steel. The Bender Bridge, here, is 278 feet high, one of the tallest bridges east of the Mississippi. U. S. Steel supplied the steel and built this bridge.



This trade-mark is your guide to quality steel



The Bow-Legged Truck. This unusual machine is called a straddle truck, because it literally stands over a load (up to 25 tons), hoists it, then rolls away. The truck can actually roll over a full-size automobile without touching it. It uses many USS steel plates and bars.

UNITED STATES STEEL

For further information on any product mentioned in this advertisement, write United States Steel, 525 William Penn Place, Pittsburgh, Pa.

AMERICAN BRIDGE . . AMERICAN STEEL & WIRE and CYCLONE FENCE . . COLUMBIA-GENEVA STEEL . . CONSOLIDATED WESTERN STEEL . . GERRARD STEEL STRAPPING . . NATIONAL TUBE
OIL WELL SUPPLY . . TENNESSEE COAL & IRON . . UNITED STATES STEEL PRODUCTS . . UNITED STATES STEEL SUPPLY . . Divisions of UNITED STATES STEEL CORPORATION, PITTSBURGH
UNITED STATES STEEL HOMES, INC. • UNION SUPPLY COMPANY • UNITED STATES STEEL EXPORT COMPANY • UNIVERSAL ATLAS CEMENT COMPANY

See The United States Steel Hour. It's a full-hour TV program presented every other week by United States Steel. Consult your local newspaper for time and station.



For your Bank
* *All Air Conditioning is not alike!*



HOW TO SAVE ON YOUR AIR CONDITIONING COSTS

Choose Airtemp WATERLESS
"Packaged" Air Conditioning



Save on Operation . . .
Save on Maintenance . . .
Year After Year After Year!

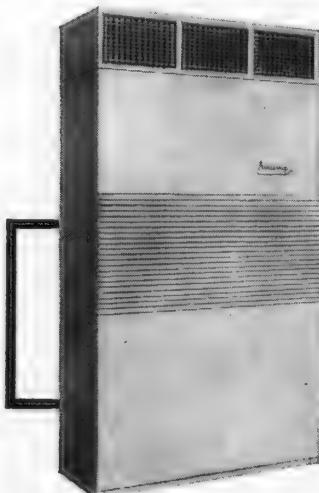
Records kept on all costs for air conditioning with Airtemp *waterless* "packaged" units prove you can save with Airtemp *waterless*! Here's how:

Lower Operating Costs—Airtemp *waterless* packages use no water whatsoever—only air and electricity. And Chrysler advanced engineering in every detail means greatest operating efficiency.

Lower Maintenance Costs—no water to leak, no water scale problems ever. Longer life built

into every compressor—operates without vibration—completely sealed in oil to keep out trouble-causing dirt and moisture.

All Airtemp "Packaged" Air Conditioners are *manufactured*—not just assembled—by the Chrysler Corporation Division which has produced and sold more "packaged" units than anybody else. Dependability is guaranteed by a 5-year warranty on the entire refrigeration circuit. And you can depend on your nearby Airtemp Dealer, a factory-trained air conditioning specialist, to install your air conditioner properly and provide prompt, efficient service if ever necessary.



Phone your Airtemp Dealer now
(he's listed in the Yellow Pages) for a
free survey of your air condition-
ing requirements. Or write Airtemp
Division, Chrysler Corporation,
Dayton, 1, Ohio.

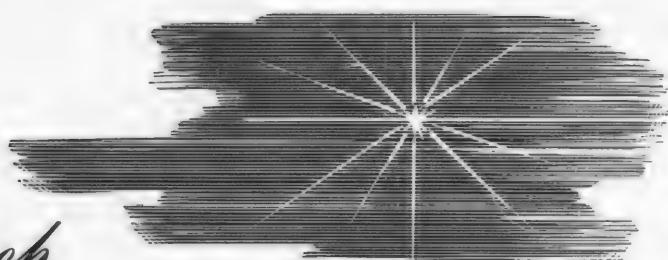


THE
FORWARD LOOK
IN
AIR CONDITIONING

the really complete line for '56!

Airtemp gives you a big choice in both waterless
and water-cooled packaged air conditioners.
13 sizes from 2 H.P. to 30 H.P.

AIR CONDITIONING • HEATING FOR HOMES • BUSINESS • INDUSTRY



Let us keep Christ in Christmas

Nineteen hundred fifty-five years ago, Wise Men of the Orient brought gold to the Infant King of Kings on His birthday.

In present times, bankers, the custodians of wealth, must do likewise, for bankers have an interest in keeping Christ in Christmas.

What is this interest?

Banks function for the benefit of society. They are storehouses of wealth which, when properly administered, vitalize the affairs of individuals, of business firms, of cities, states and nations. Banks are guardians of deposited funds: money to be invested wisely and well for the common good.

Therefore, banks must be wise and just administrators, operating according to Christian

ethics, for society needs them and their resources to help defend our way of life.

"Those who handle money must be deeply conscious of their responsibility, deeply rooted in the spirit of honesty in order to guard against temptations from within themselves as well as from without." (Pius XII).

Banks can discharge their proper functions only if Christian principles are the basis for their dealings; and Christian principles can motivate banks only if bankers fulfill their duties to the King of Kings.

If banks do this, then will echo with meaning for them from the crib at Bethlehem the words of Christ directed to the good administrator: *"Because thou hast been faithful over a few things, I will set thee over many."* (Matt. 25:21).

With best wishes for a happy
and a holy Christmas,

The Continental Bank
and Trust Company
OF SALT LAKE CITY



(CONTINUED FROM PAGE 6)

pendent, conservative bank, with signs 'This merchandise may be purchased at J. August Co.,' neighboring clothier. Bank president George A. Macomber explains that this marks the beginning of a policy of giving window space to retail store depositors, after years of civic and art displays."

In sending us the clipping Mr. Macomber commented:

"We happen to have an unusually good set of windows for all kinds of displays. For some time we have had a feeling that some of our retail customers thought that banks in general—and perhaps the Cambridge Trust Company—were a little bit high hat and not interested in their products. Hence our exhibit, which seems to be meeting with favorable comment."

Colonel Edens

BANKING had a letter the other day from its good friend, Colonel William G. Edens, the retired Chicago banker and one-time associate of Charles G. Dawes.

Colonel Bill's 91st birthday is November 27. He told us that he's now living in the Brotherhood of Railroad Trainmen's home. He helped organize the Brotherhood many years ago.

He's looking forward to attending one of its meetings in December.

Outside the Chicopee (Mass.) Savings Bank last New Year's Eve police officials and bank officers helped serve "coffee for the road" to passers-by. Third from left is President Nelson B. Carter. The man in the gray coat, center, is Treasurer James E. Marshall. Next to him, in civilian clothes, is Police Chief Fisher



It's a fine thing to be a gentleman, but it's a handicap when you drive a car on some highways.

Dreams come true only when we are wide awake.

No one leads the orchestra without turning his back on the crowd.

The fellow who spends a lifetime looking for something soft could save time by looking under his hat.

Sometimes we think a little stern punishment would reduce juvenile delinquency.

Don't criticise anyone for wishing for what he doesn't have. What else could he wish for?

If you look at what happened to the American Indian, it's hard to believe the Government can bring you prosperity and happiness.

A New Year's Eve Idea

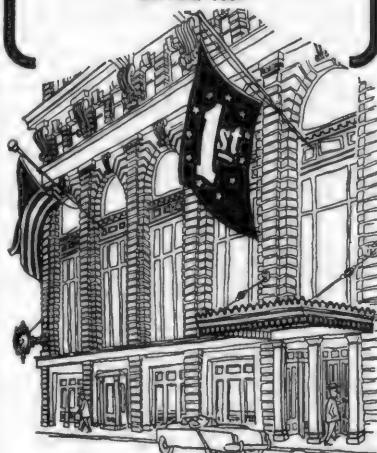
THIS story is a year old. We print it because your bank may be interested in a similar project, come New Year's Eve 1955.

Just before midnight on December 31, 1954, the Chicopee (Mass.) Sav-

THE BANKERS' BANK
OF THE UPPER MIDWEST

FIRST NATIONAL BANK OF MINNEAPOLIS

SINCE 1857



MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

LEADING
INDEPENDENT
AND CHAIN
BANKS

Now
Specify



HOLDS
\$125
Up To 50c

COIN CHANGER

"The Lowest Priced Modern Changer"

Over one quarter of the nation's leading banks now using. More than 450 in use in one large Western bank chain. Simplifies change handling. Sturdy aluminum, gray hammertone finish. Parts and workmanship guaranteed.

A TRIAL WILL CONVINCE YOU.
See your dealer or write factory
for 15 day free trial.

ONLY
\$63
S.A.M. TO

With roll-out base—\$22.50 extra,
plus tax. (Model 1107 with silver
dollar key—\$70, plus tax)



INDUSTRIAL PRODUCTS ENGINEERING, INC.
AUTO LONG BEACH AVE., LOS ANGELES 50, CALIF.



American Appraisals eliminate "Ghosts" in property accounts

An American Appraisal original cost study and check of physical assets often reveal items of property disposed of, but not eliminated from property records — affecting costs, profits and taxes.

The **AMERICAN APPRaisal Company**

leader in property valuation

HOME OFFICE: MILWAUKEE 1, WIS.

*Thank You,
MR. STEWART!*



H. G. STEWART
Executive Vice President
COMMUNITY STATE BANK
Huntington, Indiana

"Our bank has been growing steadily. A substantial portion of this steady growth can be attributed to the fine printed departmental advertising supplied to us by Dilley, Martin, and Hess of Indianapolis."

. . . H. G. Stewart

**DILLEY, MARTIN,
and HESS, INC.**
9 N. ILLINOIS STREET
INDIANAPOLIS 4, INDIANA

ings Bank put big coffee urns, paper cups, and piles of doughnuts on a long table outside its brightly lighted quarters. Floodlights were turned on.

Strollers who figured that this might be a "come and get it" situation were just right. They read their invitation on a window sign: "Happy New Year! Make the last one for your safety on the road."

Police officials, cooperating in this accident prevention gesture, helped pour the coffee. Chief Theodore A. Fisher was one of them. President Nelson B. Carter, Treasurer James E. Marshall, Trustee Addison C. Morse, and several staffers represented the bank. More than 150 people stopped to share the Chicopee's hospitality.

Chief Fisher praised the bank for "its public-spirited act of promoting safety on New Year's Eve."

Coins in Pictures

AN increasing use of coin photographs in advertising is noted by the *New York Times*. A feature article,

"The Public Likes to Look at Money," by J. E. Mahon, says that "when the law prohibiting the printing of likenesses of United States currency was relaxed in 1951, advertisers were able to realize the opportunity offered in illustrations of coins."

Mr. Mahon points out that before July 16, 1951, Federal law prohibited illustrations of coins as well as paper money. On that date the statute was amended to remove the restriction on photographing and printing pictures of coins.

"Photos of coins are being used more frequently to advertise corporate operations," says the article.

"Photographs that have appeared recently in newspaper ads show all the present coins of the United States and some of foreign countries."

If you could sell your experience for what it cost you, you would have a fortune.

Mr. Hamilton vs. Mr. Burr

These pistols, used in the duel fought by Aaron Burr and Alexander Hamilton on the Hudson River Palisades at Weehawken, N. J., in 1804, are now on display at the Chase Manhattan Bank, New York City. In 1799 both men figured in the organization of The Manhattan Company, formed to furnish water to New Yorkers. It had a banking business, too; the Bank of the Manhattan Company early this year joined Chase National in the present institution. A picture of the historic pistols appears in *Chase Manhattan Magazine* for October



THORNTON

YOU CAN'T PAY A DIVIDEND WITHOUT A MARKET

Dividend notices make good reading. They reflect profitable operation in which good management, plants and equipment play an important part. But, before you can make a profit, someone has to buy the product. And, in order to sell the product, it must have a market.

Men can be hired, factories and equipment can be bought, but *markets must be built*. A company's recognition . . . the preference for its products . . . is the result of a consistent, coordinated sales and advertising program. And, while it may be hidden in a financial statement, product recognition is a mighty important asset when you're dealing with the men who specify, buy and use the product.

Intelligently planned Business Magazine Advertising not only builds product recognition, it cuts the time factor in selling, thus reducing

sales costs. And dollars saved on selling costs contribute just as much to the profit picture as those saved on production.

THAT'S WHY WE SUGGEST: If you have a financial interest or responsibility in a company, you will want to encourage the company's management in the use of adequate Business Publication Advertising.

* * *

Would you like a copy of "Joe Phares Built a Machine"? In this entertaining story with a moral, a banker gives some sound advice. We have a feeling that after you've read it, you may want some copies for your friends. For your free copy, address your request to Company Promotion Department.



McGRAW-HILL PUBLISHING COMPANY, Inc.



330 WEST 42nd STREET, NEW YORK 36, N. Y.



OVER A MILLION MEN IN BUSINESS AND INDUSTRY PAY TO READ McGRAW-HILL BUSINESS PUBLICATIONS

Fastest way to figure savings account interest!

DELBRIDGE Interest Tickets

Guaranteed Accurate!

Reduce Overtime Pay And Peak Load Work!

No Skilled Help Needed!

Permanent Record For Reference!

Actual tests prove that Delbridge Interest Tickets cut savings account interest computing time up to 50%. Practically eliminate errors—verified in seconds—provide permanent reference. Every pre-calculated answer has been checked and cross-checked to assure complete accuracy. So simple...so easy...even a child can do it!

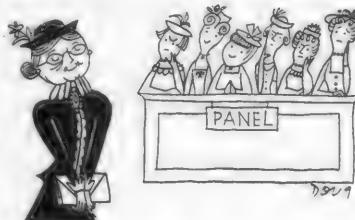
FREE TRIAL SUPPLY

Without obligation, try Delbridge Interest Tickets in your own operation. Just tell us the number of tickets you need for your next savings account interest period. Include the rate of interest you use (tickets are available from $\frac{1}{2}\%$ to 3% in $\frac{1}{4}\%$ steps and $3\frac{1}{2}\%$ to 5% in $\frac{1}{2}\%$ steps). You must be 100% satisfied or you owe nothing. If you decide to use the tickets, just "O.K." our invoice based on the rate of \$4.50 per thousand. For your "no-obligation" supply, write...

DELBRIDGE
CALCULATING SYSTEMS, INC.
2502 Sutton Ave. • St. Louis 17, Mo.



An elderly but charming former bank woman stole the show at the Sunday luncheon of the Florida Group of the National Association of Bank Women in Orlando. The program chairman had arranged for a panel, somewhat on the order of the



"I've Got a Secret" TV show. Six bank women were chosen as questioners, and Mrs. Blanche Curtis of Orlando was the guest with the secret. Members of the panel were to try to learn, through artful probing, Mrs. Curtis's reason for attending the meeting, since she has never been a member of the organization.

The clever little lady was skillful in making noncommittal replies to questions, but finally the query, "Have you ever worked in a bank?" had to be answered in the affirmative. Further questions brought out the surprising fact that Mrs. Curtis was one of the first five women ever to be employed in a banking establishment in the United States. Then the questions began in earnest.

It was an entertaining story that Mrs. Curtis told. She said that more than 50 years ago the president of a Chicago bank had attended an American Bankers Association convention in Denver, where some brave speaker had expressed the almost iconoclastic opinion that women might be trained to work in savings departments of banks. After all, it could be arranged that they just took in the money; they would not need to pay out any!

So, on his return to Chicago, this president, much to the dismay and disapproval of his officers and direc-

tors, advertised in the newspaper for a woman to work in his bank. Mrs. Curtis answered this advertisement and got the job—at \$40 a month.

"In that bank I worked at many, many varied tasks, and mostly without the benefit of machines. Automation had not become a topic then. As the bank grew larger, my work grew in amount and variety. It seemed to me that I was always being delegated to do an added job for someone, and I just couldn't get it all done. This worried me terribly, because I felt it wrong to leave any task undone at the end of the day.

"One afternoon I was sitting at the big table in the directors' room of the bank, engaged in the tiresome task of counting pennies. There was a huge sack of these, and they had to be counted into piles of 200 and wrapped and rolled. It was not a fascinating job, and I had plenty of time to worry about all the other duties still awaiting me. They seemed to pile up into an insurmountable pile, and out of pure nervous stress my tears began to fall.

"Just at that moment the president of the bank walked through the room and stopped to ask what I was crying about. I poured it all out—how I had too much work—couldn't possibly finish it that day and I just couldn't help worrying about it. He asked, 'Why didn't you tell us? We would have seen that you had help.' I couldn't calm down immediately;



I burst forth, 'Well, why didn't you do something about it before—why did you wait till now to tell me?'

"Then he said something I have always remembered. It became sort of a motto to me the rest of my life. 'Now look here,' he said, in an authoritative voice, 'I am the president of this bank, and I don't worry about it as much as *you* do!' Since then I've often rid myself of troublesome worries by saying to myself, 'If the head man doesn't worry, why should I?'"

BELLE S. HAMILTON



We cover a lot of ground IN JUST 4½ DAYS . . .

We mean in our Concentrated Course in Banking, which we run every year to help train executives in our correspondent banks.

Last year, for example, we had classes in:

Credit	Bank Operations
Installment Credit	Money Market
Public Relations	Audit Controls
Bank Investments	Business Trends
Wills, Trusts, Taxes	Mortgage Loans

There's only one way to cover that much ground properly in a short time, and this is how we do it: Both students and faculty work morning, afternoon and night. Thus, we pack into just 4½ days a planned educational program . . . developed and conducted by experienced bankers.

The whole idea of the course resulted from our close relationships with our correspondent banks. Through

years of looking for extra help which they might want, we learned that one need stood out—the need for assistance in training executives, particularly among smaller and medium-sized banks.

That's when we thought about developing a training program combining useful information for young bankers coming up . . . and also a valuable review for older men. We mapped out a 4½-day course, selected top Mellon Bank officers as teachers, then invited our correspondent banks to send students.

The first year, the response was so heavy, we had to hold two sessions. And the enrollment has stayed up, so we have had two sessions a year ever since.

We plan to continue this annual course as long as the need for it exists. We believe it is just one more way in which our correspondent bank relationships can be of benefit to all—by going beyond the usual routine services.

MELLON NATIONAL BANK AND TRUST COMPANY

PITTSBURGH

CAPITAL \$60,100,000

SURPLUS \$160,000,000

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

FORD TRACTOR
AND IMPLEMENT
DEALER
**SUCCESS
STORIES**



When population of older model Ford Tractors justified it, this boring bar was added to the service department. Service Manager Bill Chick says, "Since we've had it, we've rebored well over 200 engines and fitted them with cast iron sleeves." That's real volume at a real profit!



Jerry Maloney, District Supervisor for Triad Tractor and Implement Corp., the area Ford Tractor and Implement distributor, checks a parts order with Parts Manager, Webb Howard. Howard keeps a perpetual inventory of every part, calls the system "the heart of our parts operation."



**TRACTOR AND IMPLEMENT DIVISION
FORD MOTOR COMPANY**
Birmingham, Michigan

Volume Service because We Sell a Volume Line!"

says A. B. Morley, Morley Tractor Service,
Bergen, N. Y.

Some farm-machinery dealers consider the parts and service end of their business a necessary evil, but not A. B. Morley! This successful Ford Tractor and Implement dealer knows that parts and service can pay a good profit. Here's his formula for success:

Start With a Fast-Selling Line

"Since parts and service potential depends on tractor population," says Mr. Morley, "the key to future parts and service profit is new-tractor sales volume. When you're moving lots of new tractors, as we are with Ford, you can afford to invest in a good stock of parts because you know it will turn at a profitable pace. You can afford to provide a modern, fully-equipped service shop and staff it with expert personnel when you know there's enough potential to keep it going full time the year 'round. Yes, we feel that sales volume is the key, and records show that Ford Tractors are the fastest selling tractors in their power classes!"

A. B. Morley's advice comes from solid experience. A Ford Tractor dealer since 1939, his accomplishments

include two Leading Dealer awards and several citations for outstanding parts sales. His service absorption has been growing steadily and is well over 100% for the first six months of this year!

Follow Through With Good Merchandising

"Of course, aggressive merchandising, good parts availability and proper pricing are important, too," says Morley. "With our Ford line we get help on all these things. Top-notch parts and service promotional material is supplied regularly. Parts availability from our distributor has been excellent . . . parts pricing more than competitive. For example, a Ford Tractor can be overhauled for less than most competitive makes, and this is a real advantage in building volume."

So it is that Ford Tractor and Implement Dealers enjoy better-than-average profit opportunities from parts and service business, as well as new tractor sales. This is another reason why forward-looking farm equipment dealers find it better to be with Ford than just to watch Ford!

A profitable business for the right man...

A. B. Morley's success as a Ford Tractor Dealer is typical of the many thousands of aggressive dealers associated with the Ford Motor Company.

And right now, there is room for more "A. B. Morley's" with this fast growing organization.

Perhaps you know a man who has the qualifications for managing a successful farm machinery dealership—a deserving individual looking for the right opportunity. You can help launch this man into a successful future by suggesting he get in touch with the General Sales Manager, Tractor and Implement Division, Ford Motor Company, 2590 East Maple Road, Birmingham, Michigan.



*This department is compiled by
THEODORE FISCHER of BANKING'S
staff.*

Fulton's Big "Preview"

BANKERS from over 30 states gathered in Atlanta to attend a preview of the new FULTON NATIONAL BANK, prior to the official open house for all customers and friends. Some 4,000 bankers, industrial and business executives, and civic and political leaders attended the preview ceremonies.

The main lobby of the new building is 21 feet high, 150 feet long, and 50 feet from teller's window to teller's window—all unobstructed.

The lobby is highlighted by three cast aluminum murals: the Clermont, steamboat invented by Robert Fulton; the old Atlanta City Hall which once stood on the new building's site; and a bust of Robert Fulton, after whom the bank was named. The Clermont mural is 25 feet long, 9½ feet high, and stands over three inches in relief from the wall. The other murals are proportionate. They're the first of their kind ever made, and were done by Atlanta artist Steffen Thomas.

CLARENCE HAVERTY, chairman of the board; ERLE COCKE, vice-chairman and newly elected vice-president of the A.B.A.; WILLIAM V. CROWLEY,

Heard Along N



John H. Lucas



Frank Agnew, Jr.



Edward L. Love



George Fernald

president, all extended greetings to the guests. ROBERT F. MADDOX, oldest living past president of the A.B.A., extended greetings from the Association.

Lucas Now Chairman

JOHN H. LUCAS, formerly president, has been elected chairman of the board of Peoples First National Bank & Trust Company, Pittsburgh.

He is succeeded as president by FRANK E. AGNEW, JR., formerly president of Old Kent Bank of Grand Rapids, Mich.

EDWARD L. LOVE, executive vice-president of the Chase Manhattan Bank, New York, has retired but will continue to maintain his office in the bank and will serve in a general consulting capacity. He has been in New York banking for over 40 years and has specialized in corporate and utility financing.

Fernald to Retire

GEORGE C. FERNALD has announced his desire to retire as secretary of the Maine Bankers Association at the end of the current Association year next June. He has been with the MBA for 24 years.

The association's executive committee voted to accept MR. FERNALD'S resignation with "sincere regret." He will be elected secretary emeritus.

ROBERT V. FLEMING, president and chairman of the board of The Riggs National Bank of Washington, D. C., becomes chairman of the board and chief executive officer, effective December 13. At the same time, HULBERT T. BISSELLE, senior vice-president, will become president and chief administrative officer. MR. FLEMING is a former president (1935) of the American Bankers Association and serves currently as chairman of its Government Borrowing Committee and as a member of its Advisory Committee on Special Activities.

ARCHIE E. PROUT was elected vice-president of the National Bank of Westchester, White Plains, N. Y. He's in charge of the bank's mortgage division.

Treasurer Robert W. Turner of Jenkintown (Pa.) Bank and Trust Company shares a one-candle birthday cake with teller Ernest R. Dundbridge and customer Mrs. F. A. Mahoney. In its first year, the drive-in served 48,417 customers. Peak traffic on a recent Friday evening was 186 cars in two hours—better than one car every 40 seconds



g Main Street



H. C. Alexander



H. P. Davison

Changes at Morgan

GEORGE WHITNEY, chairman of the board of J. P. Morgan & Co., Incorporated, New York, has withdrawn from that position and is succeeded by HENRY C. ALEXANDER, formerly president. MR. ALEXANDER will continue to be chief executive officer. H. P. DAVISON was elected president; THOMAS S. LAMONT was named vice-chairman; CHARLES D. DICKEY continues as chairman of the executive committee. The elections followed the decision of MR. WHITNEY, R. C. LEFFINGWELL, ARTHUR N. ANDERSON, and JUNIUS S. MORGAN to withdraw from their positions as, respectively, chairman, vice-chairman, and vice-president. They will continue as directors and members of the executive committee.

STUART W. CRAIGIN, LONGSTREET HINTON, and JOHN M. MEYER, JR., were named senior vice-presidents.

910 for Texas

THE newly opened MAIN BANK AND TRUST COMPANY in San Antonio is Texas' 910th bank. It is capitalized at \$1,000,000, and one of its first deposits was for \$850,000—from the State Treasurer. President JACK G. LAWRENCE says it isn't the largest deposit ever made in a new bank, but he considered it a "substantial amount."

Attorney General John Ben Shepherd and State Treasurer Jesse James took part in opening ceremonies, as did Mayor J. Edwin Kuykendall of San Antonio.

PRESIDENT LAWRENCE of the new bank was formerly vice-president

and senior loan officer of Texas Bank and Trust Company of Dallas.

Record "Pour"

THE subcellar of the Federal Reserve Bank of New York's Buffalo branch made news recently. The subcellar got a 79'x105' floor, four feet thick. This was completed in a nonstop operation which is said to be this year's record "pour."

IDAHO FIRST NATIONAL BANK, Boise, has opened a new office at Priest River, Idaho. Manager is EMMETT S. GIBB.

MBA Moves

THE offices of the MINNESOTA BANKERS ASSOCIATION have moved to the WCCO Building, 625 Second Avenue South, Minneapolis 2, Minn. After December 3, the telephone numbers will be: FEDERAL 8-0751 and 0752.

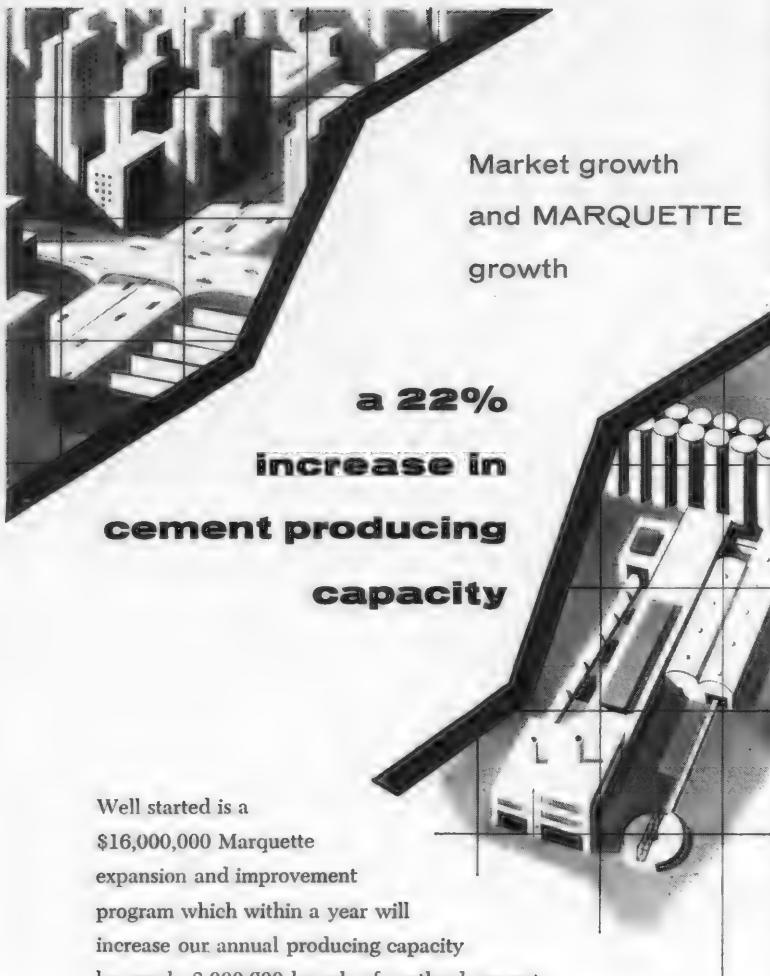
This is Republic National Bank of Dallas' booth at the State Fair of Texas. Visitors were invited to guess quantity of oil in bowl at right, while gold scale in background balances a gold bar against the weight of 293 silver dollars. Those passing through the exhibit were weighed on scale at left, then given slips showing their weight plus the value of that weight in gold



United States National Bank, Omaha's oldest, rolls out the red carpet to celebrate the start of its second hundred years. The carpet is secured through holes drilled in the sidewalk, and will remain for some time for several special events. Examining it here are, l. to r., John L. Eddy, asst. v.p.; Ellsworth Moser, pres.; Herbert Minikus, Joseph Sledge

The St. Anthony Falls office of FIRST NATIONAL BANK OF MINNEAPOLIS held an all-day and evening open house to celebrate completion of its remodeling project which began in October of last year. There were door prizes for many; refreshments for all. The bank features an





Well started is a \$16,000,000 Marquette expansion and improvement program which within a year will increase our annual producing capacity by nearly 3,000,000 barrels of portland cement. Every dollar and every barrel of this 22 per cent capacity increase will go to meet growing customer requirements in long established Marquette markets.

This is sound expansion, centering on our plants in the Illinois-Wisconsin-Iowa-Missouri area where firm, proved demand justifies further capital investment.

Mark ✓ Marquette as a company to watch for sound growth.

MARQUETTE Cement

ONE OF AMERICA'S MAJOR CEMENT PRODUCERS

Operating eight cement producing plants in Illinois, Iowa, Ohio, Missouri, Tennessee, Mississippi and Georgia

**Annual capacity 13,600,000 barrels
—and some 3,000,000 more on the way**

MARQUETTE CEMENT MANUFACTURING CO. • 20 N. WACKER DRIVE • CHICAGO 6, ILL.



Alice Phillips



Catherine O'Brien

unusual amount of parking space through a parking lot of its own and a cooperative arrangement with several other parking areas.

ALICE H. PHILLIPS, recently appointed assistant secretary of The Prudential Savings Bank, Brooklyn, is the first woman ever to become an officer of the bank. MRS. PHILLIPS joined the bank in 1924 and has been secretary to a former president, supervisor of the bank's real estate holdings, and head of the mortgage department. She is president of Savings Bank Women of New York, a statewide organization.

The Springfield (Mass.) National Bank has elected to its board MISS CATHERINE L. O'BRIEN, president and co-founder of Stanley Home Products, Inc. She's the first woman director of a commercial bank in western Massachusetts.

BANK OF KODIAK, Alaska, mailed with its most recent statement a page telling of the growth of the bank in its 15-year existence. The message closed on this homey note: "When winter comes, the bank's fireplace in the lobby will again be in use to extend its warmth and cheer."

EDWARD E. STOCKER has joined Continental National Bank of Fort Worth as senior trust officer. He was formerly assistant trust officer at the First National Bank in Dallas.

JAMES G. FOWLER advanced to executive vice-president at Puget Sound National Bank of Tacoma, Wash.

JOHN A. ANDREWS was promoted to investment officer in the trust department of Mellon National Bank and Trust Company, Pittsburgh. ROY E. MOTTO, a G.S.B. alumnus, became assistant cashier in the central office.



F. K. Calkins



E. A. Mattison

FREDRICK K. CALKINS has joined the Framingham (Mass.) National Bank as an assistant cashier. Since serving in the Army, he had been with the First National Bank of Wallingford, Conn., and had earlier been associated with the Federal Reserve Bank of Chicago.

New Chicago Bank

SCHEDULED for December 1 opening is the newly organized MADISON BANK & TRUST COMPANY, Chicago. It begins operations with a capital paid-in surplus and reserves of \$750,000, and offers all the usual bank services plus a "Drop-It-In" depositary.

THOMAS W. DOWER, board chairman of Russell Packing Company, is to be chairman of the board. President is E. A. MATTISON, president of Budget Finance Corporation and chairman of the board of Mattison Hotels Corporation. He was formerly executive vice-president of Bank of America where he was in charge of all loan and deposit services, member of the general finance committee, and chairman of the

Marjorie Head, assistant vice-president of First National Bank of Arizona, signs up Walter R. Bimson, board chairman of Valley National Bank as one of the 811 members obtained by Maricopa Chapter, A.I.B.



COMPLETE



In a compact monthly package, the N.A.D.A. Official Used Car Guide gives you detailed information for quick identification of thousands of cars . . . including the year, make, model, serial number and other specifications. Here's the *complete* story on the used car market.

Accurate . Detailed . Timely

- Based on authenticated transactions by dealers in every area.
- Lists average loan, "as is", and retail values for all models . . . breaks down average prices to include special features.
- Published every 30 days in six regional editions.

Subscribe for all your key employees, only

\$7 per year

(quantity prices
on request)

NATIONAL AUTOMOBILE DEALERS
USED CAR GUIDE CO.

1800 H Street, N.W. Washington 6, D.C.

GEARED

*to help you serve
the banking needs
of any industry*

An especially helpful feature of First National City's correspondent service is the technical assistance offered by our Special Industries Group. A unit of our Domestic Division, the Group is comprised of specialists in many industrial fields.

The training and experience of these men is at the disposal of our correspondent banks in connection with all banking matters requiring intimate acquaintance with special industry problems.

This informed assistance can be especially valuable in helping you reach sound decisions with respect to local loans. It is just one of many reasons why so many banks are turning to First National City for New York correspondent services. If you'd like to know how we can help you, why not call on us today.



J. ED WARREN, Vice-President, is one of the country's petroleum authorities. Working through and with local banks, his experience is helpful to correspondents who finance the oil industry; and is typical of the type of "expert" service we offer correspondents faced with problems in any industry.



COFFEE INDUSTRY SPECIALISTS Robert M. Franke, Assistant Vice-President, and John C. Slagle, Vice-President watch expert coffee taster. First National City has qualified individual specialists for every important industry and their assistance is available to correspondents.

The FIRST NATIONAL CITY BANK *of New York*

Head Office: 55 Wall Street, New York

60 Branches Overseas

73 Branches in Greater New York

*Around-the-clock Transit Service • Collections • Credit Information
Bond Portfolio Analysis • Complete Securities Handling Facilities
Dealers in State and Municipal Bonds • Participation in Local Loans
Personalized Service • World-Wide Banking Facilities
Complete Metropolitan New York Branch Coverage*

First in World Wide Banking

Member Federal Deposit Insurance Corporation



Raymond Horn



Philip Butler

bank's public relations and advertising committees. He's known nationally in the instalment loan field.

J. R. SCANDIFF, active in Chicago banking since 1928, was named vice-president and cashier.

The new bank is located on the plaza of the Daily News Building, 400 West Madison Street, Chicago.

H. RAYMOND HORN advanced to senior vice-president of Northwest Bancorporation, Minneapolis.

At La Salle National Bank, Chicago, PHILIP L. BUTLER was elected a vice-president; WILBUR HILDEBRANDT, assistant vice-president.

To Merge in Frisco

THE projected merger of CROCKER FIRST NATIONAL BANK and ANGLO CALIFORNIA NATIONAL BANK would be the biggest bank merger in San Francisco history. It is planned that WILLIAM W. CROCKER would be chairman of the board, and PAUL E. HOOVER, Anglo's president, would be president and chief executive officer. Resources of the merged institution would be, as of the last statement, \$1,441,769,209. The merger is subject, as this is written, to all necessary approvals. The new name: CROCKER-ANGLO NATIONAL BANK.

FIRST NATIONAL BANK IN DALLAS has celebrated its 80th anniversary with an open house and reception for its 4,500 stockholders. There was a 150-pound birthday cake 40 inches tall, with 80 lighted candles.

HARRIS ASHTON DUNN, vice-chairman of the board of Bowery Savings Bank, New York, has been appointed general chairman for the 1956 New York March of Dimes campaign.

FRED A. DONS was appointed assistant general auditor of the Federal Reserve Bank of Chicago.



"Chico" Chaves



Eva Ramirez

A. S. "Chico" CHAVES has come back to banking as a vice-president of the First National Bank of Lincoln, Nebr. He had been a partner in the firm of W. D. Messenger, where he was in charge of the bank auditing division. Before that he had been cashier and comptroller of the Livestock National Bank of Omaha.

EVA RAMIREZ was promoted to assistant manager of Valley National Bank's branch office in Douglas, Ariz. MRS. RAMIREZ is the bank's 15th woman officer.

DAVID D. ALDRIDGE was elevated to a vice-presidency of the Fidelity-Baltimore National Bank and Trust Company, Baltimore, Md.

F. RIPLEY BOWMAN has resigned as an assistant vice-president of the National Bank of Washington, D. C., to become vice-president of the First Funding Corporation (mortgage bankers) of Arlington, Va. He

Edward J. Meeman, editor of the Memphis *Press-Scimitar*, and Norfleet Turner, president of the First National Bank of Memphis, place 75th anniversary edition of the paper in a safe deposit box at the bank. The box is the joint property of the paper and the bank, and is not to be opened for 75 years—that'll be 2030 A.D.



PLANNED

to protect travel funds...NCB Travelers Checks

You automatically plan the safety of your customers' funds when you sell them safe, spendable National City Bank Travelers Checks for their trips. They can start their journeys with confidence, because this handy travel currency safeguards their travel funds just as your safe deposit vaults protect their valuables back home. If lost or stolen, NCB Travelers Checks are refunded in full. They are accepted like cash for goods and services in this country and abroad.

You can plan on more profits, too, when you sell NCB Travelers Checks, because you keep the entire selling commission — $\frac{3}{4}$ of 1%. Extensive sales aids are provided free of charge, including a complete merchandising kit, tailor-made for your ready use and enabling you to tie in with broad national and international advertising in trade and consumer publications.



Wherever they are...wherever they're going...NCB Travelers Checks simplify travel money problems for your clients.



Famous around the globe, NCB Travelers Checks are instantly recognized everywhere. In convenient denominations of \$10, \$20, \$50 and \$100, they cost only 75¢ per \$100 and are good until used.

*The FIRST
NATIONAL CITY BANK
of New York*

REMEMBER THESE FACTS:

- Safe—fully refunded if lost or stolen
- Inexpensive insurance for travel funds—cost only 75¢ per \$100
- You keep the entire selling commission — $\frac{3}{4}$ of 1%
- NCB Travelers Checks have been sold for over half a century
- Your customers are directed to Buy at Banks

Member Federal Deposit Insurance Corporation

had been with the bank for 15 years and managed its mortgage loan department for the past 10 years. He's an alumnus of The Graduate School of Banking.

Merchandise National Bank, Chicago, announces these promotions: HARRY F. TUBERGEN, JR., vice-president and comptroller; MARTIN C. EVENHOUSE, cashier, succeeding J. KAULAS, JR., who resigned to become president of Lincoln National Bank, Chicago; ROY W. ANDERSON, assistant vice-president; C. J. LEHECKA, auditor.

JOHN A. ELBE, vice-president and cashier, was honored on the occasion of his 40th anniversary with The Lincoln Savings Bank, Brooklyn, N. Y.

Editors Visit Banks

"BANK TOWN, U.S.A." is what Bank Building and Equipment Corporation of America called its recent press conference in St. Louis. Editors and staff representatives of leading financial and news publications were guests at the two-day affair and inspected many of the 35 projects currently in progress in the company's headquarters city. A number of the projects are modernization and rehabilitation jobs where

Robert E. Lee Hill, left, executive manager, Missouri Bankers Association, with portrait of himself presented to him by MBA at the recent A.B.A. convention. Left to right, Mr. Hill; James F. Mack, v.p., City National Bank & Trust Co., Kansas City; Carroll F. Burton, v.p., First National Bank in St. Louis; R. A.

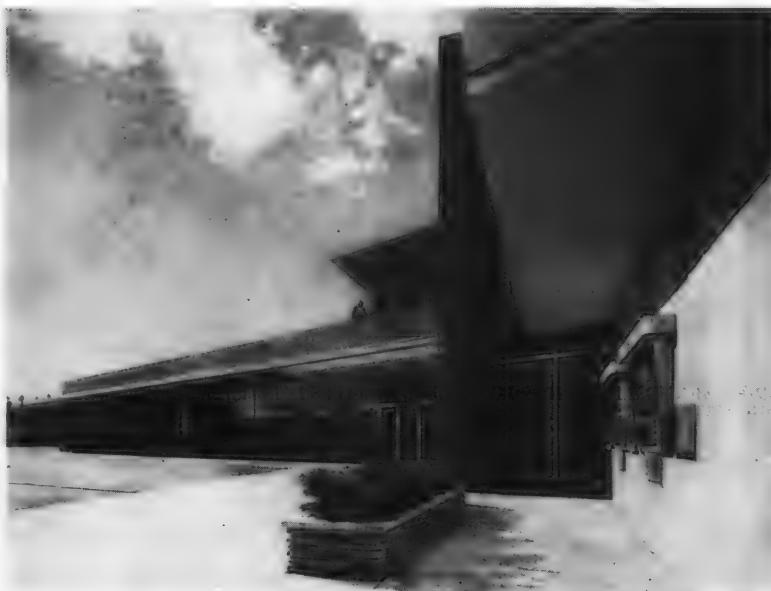
Evans, pres., Central National Bank, Carthage; v.p., treas., and pres. of MBA, respectively



"business as usual" is the order of the day. Aside from tours, there were at Bank Building's headquarters detailed sketches and photographs of projects from Maine to Ecuador. The company has a staff of more than 400, dealing exclusively in financial architecture.

WILLIAM A. McDONNELL, president of First National Bank in St. Louis, addressed the newsmen at an opening luncheon at the Hotel Jefferson. Hosts for Bank Building Corporation were J. B. GANDER, president; L. J. ORABKA, executive vice-president; and EARL KLEIN, sales vice-president.

Manchester Bank of St. Louis is among those recently completed by Bank Building and Equipment Corporation of America. It has seven drive-in windows and two walk-up windows. Traffic studies show that more cars pass within two blocks of this site than any other point in St. Louis



The FIRST NATIONAL CITY BANK of New York has established a banking facility at the U. S. Naval Air Station at Iwakuni, Japan.

DOMINIC D. SCANLON, formerly with Continental Illinois National Bank and Trust Company of Chicago, has joined Citizens State Bank of Park Ridge, Ill., as auditor.

GEORGE L. WHITE was elevated to the presidency of the Newton-Waltham Bank and Trust Company, Waltham, Mass., succeeding the late WILLIAM M. CAHILL. NATHAN I. GREENE was named vice-president. MR. GREENE had been a vice-president of the Canal National Bank of Portland, Maine, with which he was associated for 24 years. MR. WHITE is a member of the commercial credit committee of the Massachusetts Bankers Association and is an alumnus of The Graduate School of Banking.

ROBERT JAY DICKSON, U. S. Army, retired, has been named manager of the business development department of the Bank of Highland Park, Ill. COL. DICKSON was formerly with the Northern Trust Company, Chicago.

OLIVER B. ELLSWORTH, president and trust officer of the Riverside Trust Company, Hartford, Conn., was elected a Class A director of the Federal Reserve Bank of Boston. HARRY E. UMPHREY, president of Aroostook Potato Growers, Inc., Presque Isle, Maine, was reelected a Class B director. The three-year terms begin January 1.

(CONTINUED ON PAGE 26)

8th National Credit Conference

CONRAD HILTON HOTEL, CHICAGO, ILL., JANUARY 16-18, 1956

Sponsored by the Credit Policy Commission

American Bankers Association

TARGETS

1. Analysis of current conditions.
2. Recognition of trends affecting bank credit policies for 1956.

TIMELINESS

1. It's time for inventory of physical assets and future plans.
2. It's time for evaluating political events and governmental programs.

TOPICS

Possible developments and trends in 1956—Treasury and Federal Reserve fiscal and monetary policies—Federal spending—Agricultural prospects—General business conditions—Construction—Inventories—Consumer spending and credit requirements—General demand for bank credit—Interest rates—Taxes.

DO THESE TWO THINGS NOW!

OBTAI N YOUR HOTEL RESERVATION WELL IN ADVANCE

SEND APPLICATIONS TO
RESERVATION MANAGER
CONRAD HILTON HOTEL
MICHIGAN BLVD., 7TH TO 8TH STREET
CHICAGO 5, ILLINOIS

ACCOMMODATIONS

Single rooms	\$6.00- 9.00, 9.50-11.50, 11.00-14.00
Double rooms	11.50-14.50, 13.50-16.00, 15.00-18.00
Twin rooms	13.00-16.50, 13.50-16.50, 17.00-19.50
Suites	22.00-24.00, 33.00, 38.00 and up.

WHEN MINIMUM RATES ARE NOT AVAILABLE
THE NEXT HIGHER RATE WILL PREVAIL.

PLEASE STATE DATE AND TIME OF ARRIVAL
AND DEPARTURE.

ADVANCE REGISTRATION

Credit Policy Commission
American Bankers Association
12 East 36 Street, New York 16, N. Y.

Date _____

Our bank will be represented by the following at the A.B.A. National Credit Conference,
Conrad Hilton Hotel, Chicago, Illinois, January 16-18, 1956.

Name _____ Title _____

Name _____ Title _____

REGISTRATION FEE—\$15.00 PER PERSON

(A complimentary copy of the Proceedings will be mailed to each registrant)

OUR CHECK FOR \$ _____ IS ENCLOSED. (Make check payable to A.B.A.)
(Refunds will be made, upon request, to those unable to attend)

Bank _____

City _____ State _____

MAIL THIS FORM TO AMERICAN BANKERS ASSOCIATION



it's in your bag!
the SAVINGS by using
SPRING-DEX®

the vertical and visible wonder!



ALL the Advantages of Vertical and Visible.

Effective Tools for Effective Management
WASSELL ORGANIZATION, INC. Westport, Conn.

Let Specialists Solve Your Insurance Problems

CENTRAL NATIONAL OFFERS YOU

Complete Coverage for financial institutions, including credit life and credit accident and health; automobile comprehensive (fire and theft); collision; automobile bodily injury, property damage and medical payments — available in individual or combination plans.

Profit-Producing Plans that are simple to use and have a tested, proved record of increasing sales volume and gaining a far higher percentage of renewal business.

Simplified Paper Work that makes selling easier, cuts your clerical work to a minimum, and saves you time and money.

For more information on how you will benefit from these services, write today to J. Earl Thompson, vice president.

THE CENTRAL NATIONAL INSURANCE COMPANIES
1805 Harney St. • Central National Building • Omaha



Rollin C. Bush



John E. Thilly

MAIN STREET (Continued)

ROLLIN C. BUSH and JOHN E. THILLY have advanced to vice-presidencies at the First National City Bank of New York.

THOMAS E. CAMP, III, former trust officer of the Miami Beach First National Bank, was named trust officer of Barnett National Bank, Jacksonville. FRED P. SULLIVAN was promoted to trust officer.

The Good Earth

THE IDAHO FIRST NATIONAL BANK, Boise, has just spent over \$170,000 for a plot in Lewiston on which it will construct a modern bank building.

The Morton (Pa.) National Bank has merged with BROAD STREET TRUST COMPANY, Philadelphia.

(CONTINUED ON PAGE 28)

This 2-foot bronze, commissioned by The Hanover Bank, New York, and designed and executed by John Hovannes, is one of three identical pieces which will be presented later this year to the three co-chairmen of the National conference of Christians and Jews. The sculpture, representing the hands of all races, creeds, and nationalities reaching toward the common goal of brotherhood, is on display at the bank's office in Rockefeller Center, and will be shown at other branches.



**TO MAKE ANY POSTING OPERATION
EASIER, FASTER and MORE
Economical!**

THE **NEW**
Le Febure
HI-LO
POSTING AND
REFERENCE
STAND

Check these features:

- ✓ ADJUSTABLE WEIGHT CONTROL
- ✓ FINGERTIP HEIGHT ADJUSTMENT
- ✓ FREE ROLLING BALL BEARING CASTERS
- ✓ WITH PULLOUT SHELF AND TRANSFER FILE—
A COMPLETE WORK STATION IN ONE UNIT
- ✓ CARD FILES, FORM RACKS, ETC., CAN BE
ADDED TO STANDS TO BEST SUIT EACH
APPLICATION

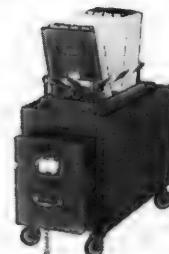


Instantly adjust-
able to the cor-
rect height for
any posting or
reference job.
Fastest, easiest
height adjust-
ment available!

OTHER MODELS, TOO!



STREAMLINE STAND
Fixed or
adjustable models



CABINET BASE UNIT
Available with
or without hood

Le Febure
CORPORATION
CEDAR RAPIDS, IOWA



From the world's largest
manufacturers of posting trays,
tray-binders, and stands.

REPRESENTATIVES IN MOST PRINCIPAL CITIES

Please send complete information
on LeFebure Stands.

Name _____

Address _____

City _____ State _____

BUSINESS CONDITIONS IN SOUTHERN CALIFORNIA

RESEARCH DEPARTMENT
CONDENSED SUMMARY

BUILDING PERMIT ACTIVITY



STATE		STATE	
1. California	117,306	26. Kentucky	6,247
2. New York	50,945	27. Kansas	6,055
Los Angeles Co., Calif.	47,319	28. Oklahoma	5,942
3. Texas	40,836	San Diego Co., Calif.	5,878
4. Illinois	35,367	29. Iowa	5,164
5. Michigan	31,909	30. Oregon	4,093
6. Ohio	31,286	31. Utah	3,988
7. Florida	28,218	32. New Mexico	3,644
8. New Jersey	27,764	33. Nebraska	3,316
9. Pennsylvania	24,904	34. South Carolina	2,961
10. Virginia	18,477	Riverside Co., Calif.	2,880
11. Maryland	17,708	35. Arkansas	2,444
Orange Co., Calif.	14,059	36. Delaware	2,196
12. Massachusetts	13,495	37. Nevada	2,145
13. Washington	12,305	38. Dist. of Columbia	2,089
14. Colorado	11,172	39. Mississippi	1,999
15. Georgia	11,073	40. Rhode Island	1,716
16. Wisconsin	10,989	41. West Virginia	1,690
17. Indiana	10,880	42. South Dakota	1,217
18. Tennessee	9,951	43. New Hampshire	1,103
19. Minnesota	9,740	44. Montana	1,059
20. Connecticut	9,648	45. Idaho	999
21. Missouri	9,200	46. North Dakota	820
22. Louisiana	8,075	47. Maine	703
23. Arizona	8,044	48. Wyoming	634
24. North Carolina	7,517	49. Vermont	160
San Bernardino Co., Calif.	7,218	United States total	626,276
25. Alabama	7,133		

SOURCES: State data—Bureau of Labor Statistics, U.S. Department of Labor.
County data—Research Department, Security-First National Bank of Los Angeles.

The above subject excerpt is from the November, 1955, issue of MONTHLY SUMMARY OF BUSINESS CONDITIONS IN SOUTHERN CALIFORNIA, published regularly for friends and customers of Security-First National Bank by our Research Department. If you would like to receive it free of charge regularly, write Bank and Customer Relations Department.

MANAGING COMMITTEE

GEORGE M. WALLACE, Chairman
Chairman Board of Directors

JAMES E. SHELTON
President

CHESTER A. RUDE
Chairman Executive Committee

G. T. WIENKE
Vice President

PAUL D. DODDS
Vice President

LLOYD L. AUSTIN
Vice President

RESOURCES OVER 1½ BILLION DOLLARS

**SECURITY-FIRST
NATIONAL BANK**

OF LOS ANGELES

MEMBER FEDERAL RESERVE SYSTEM
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



Andrew McNally III



Louis Baptista

MAIN STREET (Continued)

Rand-McNally to Mark Centennial in 1956

RAND McNALLY & Co. will mark its 100th year in the field of map-making, printing and publishing with a series of special events during 1956. One of these will be a two-day program, January 5 and 6 at Chicago, devoted to the theme, "The Challenge of A Changing World."

A centennial edition of the *Cosmopolitan World Atlas*, a *Centennial Atlas of the West* depicting the west in the 1870's, two new maps of the U. S., a commemorative Lincoln brochure, and other R-M products will appear.

RAND McNALLY'S publishing enterprises include *Bankers Monthly*, *Bankers Directory*, textbooks, juvenile and adult non-fiction, transportation tickets and timetables, and numerous other activities. Founded in 1856 by William H. Rand, the company is now headed by ANDREW McNALLY III, great-grandson of Rand's partner, Andrew McNally I.

Everybody Wins

IN the recent annual campaign for honorary mayor of Hollywood, there were 12 candidates; 11 were Hollywood movie, TV, and radio celebrities; one was a banker—LOUIS A. BAPTISTA, assistant manager of California Bank.

The event, sponsored annually by the Kiwanis Club of Hollywood, raises money for various charities through contributions of 10 cents which must accompany each vote. MR. BAPTISTA'S popularity and fundraising activities brought him in second—pretty good with such glamorous competition. Everybody wins in this contest, he says, because of the worthy causes supported by the election.

(CONTINUED ON PAGE 30)

He'll get more out of . . .

BANKING

. . . at home!

Send BANKING to your officers, directors, key staffers—send it to their homes!

Home's a good place to peruse BANKING . . . during the evening hours . . . in peace and quiet . . . on pleasant weekends.

Reading any issue is like rubbing shoulders with hundreds of other bankers . . . learning how they perform a better service . . . at less cost . . . and for more profit! Actually, it's like looking in, let's say, at a bankers' conference from your favorite armchair. BANKING has the information your officers should not be without . . . information that's easy to get, easy to read.

Use this handy coupon. Fill it in and return now.

BANKING (CIRCULATION)
AMERICAN BANKERS ASSOCIATION
12 E. 36TH ST., NEW YORK 16, N. Y.

B-12

ENTER GIFT SUBSCRIPTIONS LISTED BELOW IN OUR NAME

NAME _____

BANK _____

CITY _____

1. NAME _____ TITLE _____

HOME ADDRESS _____

CITY _____ () STATE _____

3. NAME _____ TITLE _____

HOME ADDRESS _____

CITY _____ () STATE _____

WE ENCLOSE:

\$ FOR () 1-YEAR SUB. AT \$5.00 EACH (U.S.)
 \$ FOR 4 OR MORE 1-YEAR SUB. AT \$4.00 EACH (U.S.)

BILL US SEND GIFT NOTICE

TITLE _____

ADDRESS _____

STATE _____

2. NAME _____ TITLE _____

HOME ADDRESS _____

CITY _____ () STATE _____

4. NAME _____ TITLE _____

HOME ADDRESS _____

CITY _____ () STATE _____

• • • • • PLEASE USE SEPARATE SHEET FOR ADDITIONAL NAMES • • • • •



Splendid GIFT IDEA at Christmas Time!

Send it to them on our GROUP SUBSCRIPTION PLAN—at less cost—a year's subscription (U.S.) for 4 or more at only \$4.00 each. Single subscription (U.S.), \$5.00 per year each.

SNIP ALONG RED DASH LINE



UNDERWOOD SUNDSTRAND ADDING MACHINE IS

The Complete Adding Unit

All Underwood Sundstrand Adding Machine Models handle forms as well as paper tape. Enables you to write the record and do the addition at the same time:

- Prepares duplicate monthly accounts receivable statements for ledgerless bookkeeping; balances pen and ink accounts receivable records simultaneously.
- Prepares duplicate bank deposit slips faster with more accuracy.
- Prepares employee payroll earnings statements, in duplicate, and computes net pay simultaneously.
- Does all the regular adding, subtracting, multiplying and dividing you should expect from a complete adding machine.

Call your Underwood Office for a demonstration of the complete adding unit for your own requirements.

UNDERWOOD  CORPORATION
ONE PARK AVENUE, NEW YORK 16, N.Y.



Australia from a business point of view

This booklet will assist anyone contemplating establishing a business in Australia, whether it is a small retail business or a large manufacturing company.

Written with the authority of Australia's oldest and largest joint-stock bank, it offers those who wish to start a new enterprise in that young but growing country a short account of the framework of business organization throughout the Commonwealth of Australia. It also affords some knowledge of the problems and conditions which would be met.

If you have customers interested in establishing a business in Australia, you may obtain free copies of this book from:

BANK OF NEW SOUTH WALES

BRITISH & FOREIGN DEPARTMENT, SYDNEY, AUSTRALIA
John W. McEwen, Manager



C. Oldenbuttel



Otto E. Von Au

MAIN STREET (Continued)

MR. BAPTISTA, who is at California Bank's Hollywood office, came to this country from Portugal at the age of 13. When the U.S. entered World War I, he falsified his age (it was then 14) and joined the Army. He was wounded in the Argonne and is probably one of the youngest soldiers ever to receive the Purple Heart—he was 15.

Spolander Retires

ARTHUR W. SPOLANDER, president for the last 13 years of The Peoples National Bank of Brooklyn, N. Y., has retired after 46 years with the bank. He is succeeded as president by CHARLES OLDENBUTTEL, formerly vice-president and trust officer. OTTO E. VON AU, a director, was elected vice-president. WILLIAM H. SCHMIDT was elected vice-president and trust officer; WILLIAM G. KAUFMANN, cashier and assistant vice-president.

First National Bank of Delaware County has merged with PROVIDENT TRUST COMPANY, Philadelphia.

H. L. Gerhart, president, First National Bank, Newman Grove, is new president of the Nebraska Bankers Association



BANKING

HUSBAND GONE...

thank heaven the bank saved my home

How many wives of your mortgage customers will be able to say that about your bank? Will far too many lose their homes as well as their husbands?

Today Federal Mortgage Redemption Insurance lets you offer your customers protection against such tragedy at very low cost.

Progressive banks throughout the country have proven the strong customer appeal of Federal's unique insurance plan. These banks appreciate its simplicity—its lack of costly bookkeeping. You see it's a plan designed by bankers for bankers from almost 50 years of experience in the personal protection field. Why not make it a part of your community relations program? Simply write us for Federal's Mortgage Redemption Plan Portfolio today.

COMPLETE CREDIT LIFE AND DISABILITY PLANS ALSO AVAILABLE FOR YOUR INSTALLMENT LOAN DEPARTMENT.

FEDERAL LIFE and CASUALTY COMPANY

WOLVERINE FEDERAL TOWER • BATTLE CREEK, MICHIGAN • REGIONAL SERVICE OFFICES FROM COAST TO COAST

Federal Offers You:

A Custom Designed Plan based on careful study of your operations • Proven Customer Appeal • Simplified Streamlined Procedure • Complete Flexibility including Health and Accident coverage • Prompt Service • All Promotional Tools.

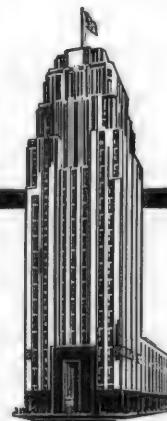
HIGHEST RATING

See Best's and Dunne's for reasons why Federal enjoys their unqualified recommendation.

PERSONAL PROTECTION
SINCE 1906

JOHN H. CARTON
President

HAROLD L. BUCK
Vice President and Manager
Credit Insurance Division





*An average, based on total transactions last year

Every 2 minutes*

**... a seller makes a sale, a buyer makes a buy
in the big high-speed Government bond market at the**

Continental Illinois

Here's something you ought to know when you want to buy—or sell—a block of Governments.

- Right here at the Continental Illinois you have one of the largest, readiest, primary markets in the world.
- When you phone us to *sell*, the chances are the sale will be made before you hang up.

• When you phone us to *buy*, the chances are we've got what you want "in stock" ourselves, or are within arm's reach of it.

Such speed offers many advantages to you.

This service is used freely by our customers. Why don't *you* use it too?

Phone us collect, State 2-9000.

CONTINENTAL ILLINOIS NATIONAL BANK

and Trust Company of Chicago
Member Federal Deposit Insurance Corporation

DECEMBER 1955

JOURNAL OF THE AMERICAN BANKERS ASSOCIATION

The OUTLOOK and CONDITION OF BUSINESS

EXPLORERS venturing into the uncharted business future never go far without running into Old Consensus, that extraordinary forecaster who is forever sounding off. Frequently wrong, Consensus is never in doubt and right now is very optimistic.

The open season for year-end predictions is almost here, and we can expect to hear again and again that prospects are excellent, well into 1956. How long will this attitude prevail while 160,000,000 persons are kept wondering who will occupy the White House a year or so hence?

That's a good question, but academic for the time being.

Next year the consumer is in for a particularly interesting time. He, or more accurately she, is going to be pulled in several directions at once by the biggest promotional tug of war ever cooked up by those earnest groups who sit around conference tables and plan such things. Operation Consumer, including Operation Automobile, Operation Home Improvement, Operation Travel, U. S. Steel's Operation Snow Flake, and others down the line, are the big economic portents on the 1956 horizon.

Same Thing But Bigger

There is nothing new about industrywide competition except its grand scale and intensity.

The battle is already under way with automobile advertising that is out of this world. Cars of greater and greater horsepower, capable of illegal speeds on any road, are the order of the day; also fancier colors, gadgets of every kind including safety belts to make sure the buyer remains in good health long enough to pay the bill. Buyers, incidentally, are discovering it pays to look some of these new cars over carefully to make sure the parts are all fastened on to stay, and that mysterious rattles and squeaks do not appear before the vehicle is a few weeks old.

The travel industry, in all its ramifications, is increasingly generous in making it possible to go now and pay later. (While not in the travel category ex-

actly, there is a report that a mortician is offering an arrangement to pay now and go later.)

Then we have Operation Home Improvement, complete with bustling national headquarters, organized action by national publications and building materials industries, and with the more or less tacit approval of Government agencies in the field. The question whether a red, white, and mauve car can compete with a bright new kitchen, a waterproof roof, an extra bath, or a week in Caracas is about to be answered to the tune of many millions in advertising and a reasonable allotment of free publicity.

Until a few years ago houses were roomy expressions of mom's mind and pop's purse. This is still true to a degree, but the trend has been, for all to see, toward box-type garages with houses attached and several televisions inside.

The proportions of family incomes going for cars has been rising and is up 20% this year over last. In the same period the relative amount for retail sales has run about 7% above last year, and the share devoted to home improvements has actually declined.

The high cost of doing something for the house accounts for this situation, plus the increasing difficulty of finding anybody to do the work properly. This in turn is not so much a result of full employment as it is a phenomenon of this remarkable age when it often takes two to do what one used to do.

A housewife, Mrs. Jean Kerr, writing recently on home remodeling in the *Ladies Home Journal*, said in effect, that spring comes, the birds have birds, the bees have bees, and lo, the carpenters have carpenters. Where she had seen two carpenters on a job, now there were four. By working half as long and half as much, everything comes out the same except the bill.

Let's look more closely at the optimistic factors and put them in some kind of logical order. Later, very briefly as befits pessimism these days, there may be room to mention two or three unfavorable things, but first a word about homes.

(CONTINUED ON PAGE 152)

Do-It-Yourself Bank Displays

JULIAN L. MARWELL

MR. MARWELL designs and constructs displays for banks and other businesses.

PROMOTION of loans to finance home improvements in connection with the national campaign, "Operation Home Improvement," can be effectively achieved through simple do-it-yourself window and lobby displays.

The most reliable source of display material, and the one to be explored first, should be the local dealers and retailers in construction materials, furniture, bathroom and kitchen equipment, and home appliances. Generally, the national manufacturers and producers of this material provide their dealers with display posters and props which should be readily available to the bank which is willing to display the products as part of its home improvement loan promotion. In some cases, the dealer might even prepare the entire display. Naturally, it will fall to the bank to tie in the display of this material with the fact that the bank is offering to finance home-additions construction and the purchase of major home appliances. This can be achieved with a simple display card such as: "Adding a new room to your home? See

our Instalment Loan Officer about low-cost financing today!"

In cases where the dealer does not have display material, effective displays can be arranged easily and inexpensively by the bank itself. Examples of how this may be done are shown in the following outlines of what might be required by the bank in labor and in cost.

These suggestions should be altered to meet specific limitations or possibilities in window and lobby size and depth. All costs are approximate.

1. Home Remodeling Display for Lobby

With or without mannequin. Try to borrow mannequin and work clothes from department or retail store. Return courtesy with small display card indicating source of clothes. See lumber yard and paint store for loan of lumber and cans of paint. Order display board from sign painter.

Approximate Cost: Sign painter, \$10 to \$20.

1W. Home Remodeling Window Display

For tie-in with lobby display or can be used alone. Plan as above.

2. Kitchen Equipment Lobby Display

These sketches suggest instalment loan promotions for large home appliances. Substitute other appliances singly or in groups.

2A.

Simple display: Place colorful advertising card within refrigerator. Copy might read: "It's as easy as A B C [use colorful alphabet blocks on card] to own this new refrigerator. Consult our loan officer now for a low-cost loan!"

2B.

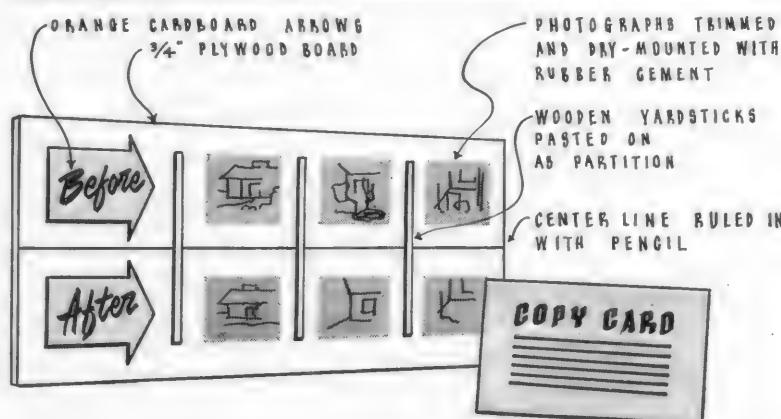
Elaborate further: Tie colorful 6" ribbon around refrigerator; top with large bow. Place an inexpensive but elaborate hat in fancy hatbox on draped table. Copy might read: "This time give her a refrigerator . . . too! Finance it (the refrigerator!) with us."

2C.

Add action and attention-getting value with mannequin. To borrow mannequin see #1.

2W.

Tie-in window display: Have wall board or plywood cut to fit your



How the window or lobby display on remodeled homes would look. See suggestion No. 6 for details of construction

window. Paint background bright yellow. Have sign painter letter copy. Mount 1" x 8" board (length in proportion) with shelf brackets. Leave unpainted. Place food on shelf.

Costs: Wall board (7¢ sq. ft.), plywood, shelving brackets, food. Sign painter about \$10.

3. Rewiring Displays

Contact local power company or electrical fixture supplier to provide displays.

3A.

To make it yourself, order wall board or plywood for background; cut to proportion to fit the window. Roughly cut wall board for copy card. Paint background bright yellow or light pink. From back, screw two lengths of 2" x 4" to face of backboard to hold copy board away from background. Draw outline of base plate on copy board. With sharp knife or single-edge razor, cut hole in copy board to receive base plate. Paint copy board red; have it lettered. Screw base plate to copy board. Screw copy board to 2" x 4"s. Insert extension cords in multiple plugs and fasten them decoratively to yellow background with heavy staples.

Costs: Background board, copy board, base plate, extension cords, sign painting.

3B.

To elaborate: Use electrical appliances.

4. Major Appliance Lobby Display

An eye-catching display can be built easily, using contrast between



At left, a small counter card for remodeling loans. See No. 7

At right, the rewiring display described in No. 3A

Boost for a Lobby Display

BELLE S. HAMILTON, who writes BANKING'S monthly "Around Our Bank" column (page 14), also has a column in *The Leesburg Commercial*, which serves as an advertisement of The First National Bank of Leesburg, Fla. The column, titled "The First National Tell-Tale-Teller," recently included this item about a display in the First National's lobby:

"Everyone says, 'How unusual!' when they enter our downstairs lobby. . . . That's because of the display of plumbing items Hood Plumbing & Equipment Company has fixed up for us this week. . . . Heading the show is 'James,' the automatic, portable dishwasher. . . . You just put James in any spare 18x25 inch space you happen to have. After meals you move him up to the sink, stack all the dishes in his interior, attach the hose he carries to your hot water faucet, add some detergent, turn on the hot water, and go in and play the piano or watch television. . . . The makers of James figure that the average housewife spends 10 hours every week washing and rinsing and drying dishes! That works out about 21½ days every year. . . . Imagine standing washing dishes for over three weeks! Come in and see James while he is on display in our bank, along with some very modern and beautiful bathroom fixtures. . . . Maybe you'll get ideas!"

old and new. See your appliance dealer, antique, thrift, or junk shop.

5. House Addition—Window or Lobby Display

Borrow wheelbarrow and bricks from local contractor, supplier, or hardware store, to be placed next to display board. Mount blueprint on display board with staples, glue, or tacks, indicating extra room. Copy: "Need an extra room? Finance it with us!"

6. Remodeled Homes—Window or Lobby Display

Assemble 8" x 10" before-and-after photographs of homes remodeled by bank's customers.

Order: One 4' x 8' x ¾" plywood, two ¼" x 2" x 8' molding, two ¼" x 2" x 4' molding.

Paint plywood dark grey, mold-

ing red. Assemble. Paste photographs to white posterboard 12" x 14", spread rubber cement on photo and on posterboard. Let dry. Carefully place photo in position. Use colored adhesive tape to partition backboard. Thumbtack posterboard in place. Glue or tack arrows in place.

Costs: Plywood, molding, sign painter, tape.

7. Small Counter Cards for Remodeling Loans

At art shop, purchase heavy-weight posterboard and double wing easel for each display. Buy or borrow paint brushes. Cut cards to size with single edge razor or matte knife. Have copy lettered on cards. Fasten brushes to the display with wire.

Costs: Posterboard, brushes, sign painter.





UNITED PRESS

The temporary White House: The President's farm home near Gettysburg

Farm Aid; "Flow of Funds" Concept

LAWRENCE STAFFORD

VARIOUS new welfare programs are being developed in this capital city. Some are being projected for possible action next year in Congress. Some are merely being studied with no immediate plans for legislation. In one respect or another, loans are involved in most of these programs.

Within the Department of Agriculture, there is apparently the keenest interest in getting legislation enacted next year to assist "low-income" farmers. The need, as the President saw it, for special Federal assistance for low-income farmers was first mentioned in 1954 by Mr. Eisenhower in a message to Congress.

Thereafter a large group of economists, welfare workers, and others drew up a 16-point program in a report entitled *Development of Agriculture's Human Resources: a Report on the Problems of Low-Income Farmers*. The President earlier this

year in a message to Congress endorsed this program as a whole.

In brief, the report divided farmers of low-income into two categories: (1) those who could be helped on the farm; and (2) those who should be encouraged to get urban or other nonfarm employment.

For the first group the Department of Agriculture would spend more money advising them how to farm better, and the Farmers Home Administration would be authorized to make loans on liberal terms to buy land and equipment. For the second group it was proposed that they be given better employment service and there be also a considerable expansion of Federal-state vocational training for persons in urban areas. For both groups it was proposed that the Federal Government spend more money on local health and education.

This was the kind of broad responsibility which, if literally and

fully undertaken, could involve the disbursement of hundreds of millions of dollars in appropriations and loans.

Initial Requests Modest

Initially, however, the Eisenhower Administration made modest requests of Congress. It asked for more funds for local agricultural extension and soil conservation work for low-income farmers. And it requested authorization for the Farmers Home Administration to make loans to part-time farmers. Both requests failed to pass Congress.

Notwithstanding the lack of Congressional support, the Department of Agriculture has been encouraging states to establish "rural development councils" especially geared to work on the problems of low-income farmers. Ezra T. Benson, the Secretary of Agriculture, has evinced considerable interest in this whole broad subject, and it is understood that he

will press vigorously for enabling legislation in 1956.

State and local councils can set afire a demand from the rural districts for legislation. This may be the beginning of an endeavor that eventually could involve the Federal Government in a considerable undertaking, despite its modest start and first inhospitable treatment from Congress.

Remaking Agriculture

While making very little noise about it, the Farmers Home Administration is engaged in a program for the gradual remaking of the agriculture of something like 157 counties in several of the western states. Roughly, the area is the dust bowl region. In most cases the dry-land area will be taken from grains and put back to grassland for cattle, but some other types of farming may also be found suitable.

First the Soil Conservation Service surveys a farm eligible for possible help to determine the most suitable farming operation. Then the farmer enters into an agreement to farm as recommended by Farmers Home.

Thereafter, the whole kit of Farmers Home loans is available to help the farmer readjust his farming operations to the official plan. That includes not only the direct Federal money for mortgage and production loans, but insured soil improvement and mortgage loans. Furthermore, Congress provided that drought emergency loan money may be disbursed in virtually any way Farmers Home sees fit in connection with this program. Any farmer may receive one or a combination of loans from this kit of officially sponsored credits.

A hypothetical example will illus-

trate how the program can be used. A farmer may have 160 acres of former grassland turned into wheat as a result of the high wartime prices. The Soil Conservation Service rules this should go into grassland farming.

But 160 acres is too small to support a grassland cattle operation. So Farmers Home will arrange a direct or insured mortgage loan to double, say, the size of the farm, perhaps to improve the farm home, and to build shelters for cattle. The farmer will need credit also to seed the land into grass, and probably also to build fences, and he will need a supply of hay to feed cattle until his grass gets growing, as well as money to buy the cattle. The farmer signing up to farm as directed may get a package loan, and, if his mortgage requirements exceed loan limits, drought emergency loans may be used also for mortgage purposes.

The importance of credit to this program is underlined by the fact that Farmers Home refers to this as the "Great Plains Credit Program."

Other Low-Income Problems

A subcommittee of the Congressional Joint Committee on the Economic Report is studying the problem of low-income persons generally in the United States, has put out a lengthy statistical study of the problem, and has held hearings. Whether this will lead to recommended legislation is not yet known.

Depressed Areas Aid

After visiting President Eisenhower at his bedside in Denver, Arthur Burns, chairman of the President's Council of Economic Advisers, and Gabriel Hauge, the President's staff economic adviser, announced that the President would ask Congress for legislation to help boost the economies of "depressed areas."

Other than to liken such aid to a "domestic Point IV," these officials were noncommittal about its terms. It was indicated, however, that Federal loans, supported by local capital of one kind or another, would be

proposed to establish new industry or rehabilitate existing industry in such depressed areas as coal towns.

Flood Insurance

When the Senate Banking Committee opened its hearings last month on flood insurance, on the other hand, it became apparent that the Administration was disposed to go cautiously into this new field.

Roger W. Jones, the assistant director of the Budget, told the committee that at that stage the Administration was without proposed final legislation. Furthermore, he indicated that the Eisenhower Administration had come to conclusions which would limit the scope of the Federal involvement in this new project.

Thus, Mr. Jones said the program should be experimental and should be limited to some specified period like three years. After experience, it should be turned over to private finance. There should be some dollar limitation on the Federal commitment, although Mr. Jones did not specify what amount.

He further proposed that the maximum claim payable to any individual for flood damage should be some figure like \$250,000 or \$300,000, thereby restricting this benefit to home owners and relatively small businesses.

Mr. Jones proposed that broad administrative powers be given to the designated agency to fix premium rates to correspond to the degree of risk. This reflects the experience of the Federal Crop Insurance Corporation, where universality in insurance (by crop) was first tried, with heavy losses.

Although some four different tentative bills were pending before the



UNITED PRESS

Left, Assistant Budget Director Roger W. Jones outlined for the Senate Banking and Currency Committee the Administration's program for insurance against disasters such as floods. Right, Wendell B. Barnes, Administrator of the Small Business Administration, testifying on disaster insurance before the committee



HARRIS & EWING



UNITED PRESS

The Senate monopoly subcommittee as it began hearings on the growth of General Motors Corp. *Left to right:* Prof. Corwin D. Edwards, University of Chicago, the first witness; Sen. Alexander Wiley; Joseph W. Burns, committee counsel; and Sen. Joseph C. O'Mahoney, chairman

committee, Acting Chairman Senator Herbert H. Lehman (D., N.Y.), of the Senate Banking Committee, said that all bills were tentative. Legislation was to be drafted after the committee concluded its hearings, he said.

Bankers Win SBA Praise

Under a standby arrangement worked out between the Small Business Administration and the American Bankers Association, commercial bankers will be mobilized quickly to assist SBA in any future disaster emergency, as they were last August when floods hit the northeastern states. (See also page 53 and October BANKING, page 38.)

This work of bankers won public praise from Wendell B. Barnes, SBA Administrator, when he reviewed SBA's activities in connection with those floods, in public testimony on flood insurance before the Senate Banking Committee.

"The cooperation of the nation's bankers has been most helpful to us," Mr. Barnes stated to the committee. "Last year we asked the American Bankers Association if banks would assist us in processing applications for disaster loans, and the Association was most cooperative."

"The cooperative program thus established was of immeasurable assistance to SBA during the recent devastating northeast floods. In that disaster, local banks, through their

state and national organizations, assigned 78 credit men to assist us in our offices. These men worked, at no cost to the Government, side by side with our men. These bankers have made an outstanding record of service to their communities.

"In addition, many banks served as auxiliary offices in our disaster program, passing out application forms to victims, advising and assisting in the preparation of applications," Mr. Barnes said.

Federal Building Loans

Federal officials are hoping that after the turn of the year they may test out their new plan for buying buildings on the instalment plan.

This was authorized under the Lease-Purchase Act of 1954. More than 50 structures to cost in excess of \$95,000,000 have been approved, and await final arrangements.

Under this act the Federal Government has plans drafted for post offices and other Federal buildings. The buildings are designed exclusively for Federal use. When the Government is ready for their construction, it lets contracts, the same as if it were paying for them with appropriated funds.

However, to provide for instalment purchasing, an intermediary lessor is arranged. He enters into a firm contract with the Government to "lease" this building for a given period, such as 20 years. The annual instalments cover local real

estate taxes, interest, and sufficient payments on principal to pay for the building over the life of the "lease."

In this way Congress can get a building put up while paying in appropriations only the first annual instalment cost. After the lease period, the structure is handed over to the Federal Government.

The lessor may be any one—including a bank or insurance company—who can arrange financing.

It is the hope of building officials that this money can be obtained for less than 4%, on the theory that this is a firm Federal obligation which is amortized.

The status of these loans for banks has not been formally ruled upon. However, many of the loans would be too large for banks individually, although a group of banks might participate in their financing. It is thought that with the assignment of a lease this would take such a loan out of the restrictions against the volume of real estate loans which national banks may make.

T&L Accounts Studied

The investigative staff of the House Appropriations Committee is reported to have completed its inquiry into the adequacy of income received by banks for the numerous services they provide for the Treasury. The study really is pitched at ascertaining whether the committee should favor legislation permitting the Secretary of the Treasury to require banks to pay interest on their tax and loan accounts.

It is now understood that the principal impetus for the inquiry came from the General Accounting Office's suggestion to Congress earlier this year. The suggestion was that Congress give consideration to legislation permitting the charging of interest on the T&L accounts.

While the investigative staff of the House Appropriations Committee has about completed its study, nothing will be made public about it, including recommendations, if any, until probably well after the new session of Congress has got under way next month.

Should legislation be seriously proposed to permit the payment of interest on these Government balances, it would probably run into considerable opposition, it is believed, from the Administration.

If the Treasury charged interest on these funds, then banks might

tend to forward the collections of taxes direct to the Federal Reserve banks. This would make for the periods of alternate money stringency and amplitude which the Treasury sought to avoid through the use of the T&L accounts.

Furthermore, if the banks had to pay interest on Federal Government accounts, before long they would be compelled to do the same for state and local deposits. Ultimately commercial deposits, in the aggregate much larger than governmental deposits, would be in line to collect interest.

Such a trend would work toward compelling banks to seek high-yield assets. It was specifically for the purpose of discouraging banks from investing in substandard loans and investments that Congress some years ago amended the FDIC act to forbid payment of interest on demand deposits.

Finally, the Administration would be likely to point out that, if banks were charged interest on T&L accounts and nonetheless retained them, they would tend to offset this cost by demanding a higher yield on Government securities. This would largely offset the advantage of collecting interest on these accounts.

Variable Dividend Rates

During November the Home Loan Bank Board began to give "the most serious consideration" to the idea of authorizing a variable rate of dividend to be paid by Federal savings and loan associations on their share accounts. What decision the Board has reached, if any, was not available at writing.

Under a variable rate, S&Ls would be authorized to pay a larger dividend on share accounts held for a longer period than on new accounts, with the idea of encouraging the sustaining of the share accounts.

In the past month the Home Loan banks put out the third issue of consolidated notes of the fall period. Excluding refinancing of maturing notes, the aggregate new money borrowing of the system on these three issues amounted to \$515,000,000. This will provide money for member associations for real estate loans. The total will permit a greater volume of HLB advances to members than was disbursed during the first six months of calendar year 1955 and perhaps bring outstanding advances

(CONTINUED ON PAGE 102)

Private Funds Show Interest in Foreign Portfolios

HERBERT BRATTER

WHILE it is perhaps too early to call it a trend, the recent launching of several investment funds of one sort or another to engage in equity financing overseas is seen in Washington as a hopeful development. Those concerned with the World Bank's business-investment affiliate to be set up early in 1956, the International Finance Corporation, think that the above-mentioned revival of interest in foreign equity portfolios augurs well; for if this really becomes a trend in Wall Street, the IFC will be able to sell investments out of its own portfolio and thus revolve its capital. The IFC was described in this space last March.

One of the recent developments in this field is the formation of the Transoceanic Development Corporation, Ltd., by Kuhn, Loeb & Co., First Boston Corporation, and S. G. Warburg & Co., Ltd., London. The TDC is a \$10,000,000 international investment fund domiciled in Canada for tax reasons. It will invest abroad, outside of Canada, in mining, manufacturing and commercial equities, and will also seek to develop new enterprises. Its capital has been subscribed by American banks and brokerage firms, Canadian banks and various British and Continental investment banks. No public offering was involved. By relatively small equity investments, Transoceanic expects to pave the way for larger participations by its shareholders and their clients.

The Inter-American Capital Corporation, incorporated in Panama, is a \$1,500,000 closed-end fund of which only a fraction has been paid in. Privately subscribed by Time, Inc. (40%), Pennroad Corp. (40%), and South American Gold and Platinum Co., the IACC is getting off to a much more modest start than the originally mentioned \$100,000,000. It will invest in diversified businesses in Latin America, with emphasis on capital gains rather than income. It will buy stock of existing firms.

Also interested mainly in capital gains is International Investors, Inc., of New York, an open-end fund offering its shares publicly. Normally half the value of its assets will be

in foreign equities acquired from going firms.

In October a syndicate headed by Kidder, Peabody & Co. offered 3,000,000 shares of International Resources Fund, Inc., to raise new money for investment in the development of natural resources abroad. IRF was launched in 1949, being managed by the Capital Research and Management Co. of Los Angeles. The most recent financing involves reorganization of the earlier fund and acquisition of the assets of Natural Resources of Canada Fund, Inc. The new fund is open-end.

In the same general field but not involving a public offering is the Development and Research Corporation recently formed by Lazard Frères to offer technical service and financing abroad. Associated with it are two former TVA chiefs: David Lillienthal and Gordon Clapp. Mr. Lillienthal worked with the World Bank on Colombian development.

Lazard Frères have been investing in European banks and latterly, along with Lehman Brothers, have acquired an interest in Mediobanca, Italy's big postwar investment bank.

THIS tie could facilitate the offering of Italian industrial shares on the New York market. In Switzerland the Swiss-Italian Trust reportedly contemplates offering shares in the U.S.A. Investors here have been showing increasing interest in British and European listed shares.

Contributing to the revived interest of American capital in foreign opportunities have been a number of factors. After more than two years of bull market, returns on American equities have become relatively less attractive than the much larger returns obtainable on risk investments abroad. Worldwide prosperity and the gradual easing of the foreign exchanges, as also the policies adopted by governments to attract capital, have contributed to the revival.

In relation to the possibilities, the developments described above are only a small beginning. With the prospect of IFC leading the way for the private international equities investor, wider horizons unfold.

METHODS and IDEAS

Operating Procedures

"*Operating Procedures*" this month is devoted largely to reports of talks and discussions at the annual convention of the National Association of Bank Auditors and Comptrollers in Denver. There's a story of the meeting on page 92.

POINTERS on an insurance program for banks were offered by Thomas F. Glavey, assistant vice-president, The Chase Manhattan Bank, New York City, and chairman of the Insurance and Protective Committee of the American Bankers Association. Several of his suggestions are reported here.

Too often (he said) insurance is purchased as if it were an end in itself, with little thought to the relation of the risk insured to possibly even greater risks that may not be allowed. The banker must study his own risks and then consult

with a competent insurance agent to ascertain what coverage is available to protect against the peril.

The Discovery Rider

Check one specific point in your Bankers Blanket Bond coverage: the Discovery Rider. Previously the Bond covered only on a "loss sustained" basis. This meant that if a bank with bond coverage of \$200,000 in 1953 discovered that year that it had had a \$150,000 loss in 1949 it could recover only the amount of coverage in force in 1949. A year ago the Surety Association made available an endorsement, without premium charge, which converted a "loss sustained bond" into a "loss discovered bond." A discovery bond, Mr. Glavey explained, "means that the full amount of the current bond covers any loss discovered during the term of the bond regardless

of when the loss occurred. This change in bond underwriting is extremely advantageous to virtually all banks."

Check the bond in force in your bank to make certain that it is on a discovery basis; if not, find out why.

A Fairly New Hazard

In these days of high costs a bank frequently discontinues or simplifies some step in its operations, knowing that a small loss may occur, but feeling that the possibility of loss is insignificant against the saving in cost. However, when a loss does occur and it's covered by the Bond, the tendency is to recover it under the insurance rather than charge it against the saving gained by introducing the procedure that permitted the loss to occur.

"If losses of this type are re-

NABAC convention's small-bank operations session. Mr. Price is comptroller, First National Bank in Dallas; Mr. Goodwin, comptroller, Wachovia Bank and Trust Co., Winston-Salem, N. C.; Mr. Hauck (speaking), executive vice-president, Exchange Savings Bank, Mt. Pleasant, Mich.; Mr. Strain, vice-president and cashier, The Fidelity National Bank & Trust Co., Oklahoma City; Mr. Bryan, vice-president, Utica Square National Bank of Tulsa; Mr. Kreis, vice-president, The First National Bank of Scranton, Pa.; Mr. Loerch, cashier, The First National Bank of Tekamah, Neb.





The large-bank panel. Mr. Bomar, vice-president and treasurer, Trust Company of Georgia, Atlanta; Mr. MacLaren, comptroller, Philadelphia National Bank; Mr. Fischer (speaking), vice-president, First National Bank of Minneapolis; Mr. Gibson, cashier, Citizens State Bank, Sheboygan, Wis.; Mr. Meyer, assistant vice-president, American Trust Company, San Francisco; Mr. James, treasurer, Fidelity-Philadelphia Trust Company

covered under insurance, then in the long run they cost more than if they were absorbed," said Mr. Glavey. "Once they become an insurance claim the original loss is increased by the cost of processing the claim and the insurance company is entitled to a profit margin for its operations. All this is reflected in premium—and in the case of experience rating it's reflected back directly to the claimant bank.

"In short, where the number of items being processed is large and the possibility of loss is small and the risk assumed is a calculated one, then the bank becomes a self-insurer and in fairness should charge the loss to the savings in operational cost."

A Plan for Emergencies

"Too often in thinking of the hazard of fire, explosion, windstorm, etc., we consider only the direct property damage that might result. We often completely overlook the secondary effect. For example, a bank with only one office certainly would be faced with a very difficult problem if that office were destroyed by one of the hazards mentioned. It couldn't put up a sign saying, 'Will reopen when repairs are completed,' but would have to continue operations regardless of the effort involved.

"The expense of that effort could be very substantial. It is possible to purchase insurance to cover the additional expenses that would be incurred in the event your bank premises were destroyed; but with

or without insurance every one-location bank should have a plan of action ready. This plan should include such details as a building in the locality where space could be obtained quickly, availability of safes, telephones, advertising media that would be used to tell depositors you were operating, etc.

"In setting up an emergency plan you will also get a clearer concept of the cost involved and thus be in a better position to evaluate whether it is prudent to insure against a loss to the bank if such additional expenses were necessary."

A Fiduciary Liability

Mr. Glavey also pointed out:

"If your bank is doing a trust business there is an insurance problem that is frequently overlooked. Very often when the bank is acting as a co-fiduciary with an individual in managing real property there is a tendency to allow the individual to prevail if he feels that the bank's ideas as to adequate coverage are too high. Apparently this is sometimes done on the theory that a judgment in excess of the insurance is payable out of the corpus of the trust or estate.

"It is my understanding that most states impose liability for such actions on the fiduciaries in their personal capacity. If that is true in

your state, you can well appreciate that allowing a co-fiduciary to limit the amount of liability insurance carried makes no more sense than allowing him to dictate the amount of your bond coverage."

Borrowers' Insurance

"Many if not most unsecured loans depend for repayment on the continued existence of a plant or retail business entirely apart from the goodness of the management. It is possible for the management of a rapidly growing successful business to become so engrossed in the problems of growth that they fail to find time to heed the warning of their insurance agent with respect to the need of more insurance for higher values and expanding activities. Frequently a word of inquiry from the bank will prompt such a borrower to pay more heed to the well-meaning advice of his insurance agent."

Work Simplification

THIS phrase means "enlisting the participation of every member of the bank staff in the war on waste," Forde Steele, assistant vice-president, Central National Bank of Cleveland, told the convention. He outlined techniques for operating a work simplification program.

Significant long-range results, he said, can be obtained only by following a definite plan of attack. Here are suggested steps:

A single operation in a department should be selected because more can be accomplished if everyone's atten-

"Methods and Ideas," which includes Public Relations, is edited by JOHN L. COOLEY of BANKING'S staff.

tion is directed toward one phase of the work. One person should be assigned to coordinate the efforts of all.

Learn what's being done at present. Job descriptions, lists of duties, and work flow charts help; sometimes they're essential. But elaborate listings aren't necessary. Often rough pencil jottings of duties will serve.

Employees should be encouraged to question every aspect of their jobs.

Question the purpose of each operation. You may be amazed to find, too, that many of the things which

you do produce no real benefit.

Why, When, How, Where, Who

Find out *why* the job is being done. Many banks have a machine or hand-posted ledger sheet for each loan. They also post the back of the notes. If the ledger provides sufficient information, the note posting operation is certainly subject to a *Why?* It's expensive to post two records where one will do.

When should an operation be performed? For example, January 1 and July 1 are customarily the times for computing and crediting savings interest. Yet these dates

coincide with many other peak operations. The obvious solution, Mr. Steele suggested, is to credit interest on other dates.

How should the work be done? Determine whether the work space is adequate and properly arranged. Be sure the necessary materials are at hand and easily available. Be certain that the work flow is smooth from one operation to another, eliminating unnecessary effort and reducing physical motion to a minimum.

Determining *where* an operation should be performed is often difficult.

(CONTINUED ON PAGE 130)

Interage Cash Transfer

MR. HENRY is assistant cashier, University National Bank, Chicago.

THIS is a report on the form that is employed in our bank when currency or coin is transferred from one teller to another. It serves also in lieu of transferring sizable amounts of cash between tellers where part of a check is deposited in one department and part used in another department.

Our institution has deposits of about \$25,000,000, almost equally divided as to savings and checking amounts. The four savings tellers and the seven commercial tellers operate machines. Our volume is such that many cash interchange transactions are handled daily. To give us more accuracy and better control, the writer designed the simple form displayed with this article. We find it an efficient operation.

Forms in Red and Black

We have forms printed in bound

PAUL D. HENRY

pads of alternating debit and credit—the debit in black, the credit in red, to correspond in color with all our general books tickets. The word DEBIT is shown on the upper left of the top form and the word CREDIT to the upper right on the duplicate. Combining this placement with color makes it easier for the teller to post the entry on the proper side of his daily balance sheet.

In use, the credit is a carbon copy of the debit which the originating teller fills in, placing his dated teller stamp on the same side on both tickets—on the right side if he transfers to another teller, and on the left side when receiving from another teller. Both tickets are delivered to the teller concerned, who stamps both remaining spaces, and each keeps his proper ticket. For expediency we avoid initialing and a separate date line.

Where a customer transaction is being made, and the customer transports the tickets between tellers, it would seem advisable for the originating teller to machine perforate the amount, or write the amount in words across the face. This would be a safeguard in avoiding an alteration to a higher figure while such transfer is in process.

The interage cash transfer form is 6½" long and 3" high. We use ¼" per space for six currency lines in denominations of \$100, 50, 20, 10, 5, and 1; five lines for coin—halves, quarters, dimes, nickels, and pennies; and a total.

Our cost in quantity is about 85 cents per 100 sets.

If this system is adhered to, differences due to unrecorded transfers, or recording a figure improperly, are eliminated.

This, with other advantages previously mentioned, may be sufficient to warrant a similar system in banks now without one.

Here are the University National Bank of Chicago forms described by Mr. Henry. The "debit" is printed in black, the "credit" in red to correspond with the bank's general books tickets

INTER-CAGE CASH TRANSFER	
CREDIT	
\$100	500 -
\$50	
\$20	1,000 -
\$10	1,000 -
\$5	
\$1	
Halves	
Quarters	
Dimes	200 -
Nickels	100 -
Pennies	
TOTAL	2,800 -

INTER-CAGE CASH TRANSFER	
DEBIT	
\$100	500 -
\$50	
\$20	1,000 -
\$10	1,000 -
\$5	
\$1	
Halves	
Quarters	
Dimes	200 -
Nickels	100 -
Pennies	
TOTAL	2,800 -

Public Relations

Advertising . . . Promotion . . . Business Development . . .

Community Relations

Records for Savings \$

THE "Record Bank," a new account program designed primarily for high school and college students but open to everybody, is announced by the BANK OF ST. LOUIS. New customers receive photograph records.

The bank gives a gift certificate for any 45 or 78 rpm "pop" disc with the opening of every savings account for \$3 or more. New customers may obtain additional records by increasing their deposits.

The plan also applies to checking account and safe deposit customers.

Says Vice-president John C. Seiler: "Our purpose is to encourage young people to develop the thrift habit."

Thrift Around the World

TWENTY-THREE nations were represented in a display of thrift promotion material arranged by the East River Savings Bank, New York, in honor of World Thrift Day, October 31.

Posters, brochures, home banks, children's coloring books, silk scarves, rulers, pencil boxes, key rings, and other advertising novelties that foreign banks use in promoting their savings business were displayed in the bank's five offices.

Assembling the exhibit was quite a job. It began last May when the East River mailed letters to bankers around the world, asking for samples of material relating to thrift.

"From July to the first of October," says the bank, "the items came streaming in by air and sea—from

Stockings were hung at the chimneys with care, last year, in hopes that Christmas Club members soon would be at the windows of State-Planters Bank and Trust Company, Richmond, Va. The bank credits these points - of - purchase displays in four offices with helping to increase the number of savers in the clubs



Finland to Thailand, from England to Darkest Africa. It was like Christmas."

The Banking Story

"**K**NOW YOUR BANK WEEK" in New York State was described as "the most concerted effort to tell

commercial banking's story to the greatest number of people in the shortest possible time."

The promotion was carried on through all the familiar media—newspapers, radio, television, open houses, bank tours, etc.—and several new ones as well. More than



Posters in the East River Savings Bank's World Thrift Exhibit are examined by two New York advertising agency executives: George Dock, left, vice-president of Albert Frank-Guenther Law, Inc., and Louis W. Munro, president of Doremus & Company

half a million pieces of literature and promotional aids, provided by the New York State Bankers Association, were used. The association's 15 films on banking were booked for the entire week for showing to TV audiences, employee, social and civic organizations.

To give the program coherence the NYSBA organized the state into eight groups, designating a key banker for each county.

New York City banks offered numerous features. Some had special open houses and tours. In Nassau County the week started with a luncheon to which local leaders and government officials were invited.

The Commercial State Bank and Trust Company of New York opened several of its branches for special field classes of college students of banking and finance. The Valley Stream National Bank and Trust Company held daily finance forums, and the Nassau County Clearing

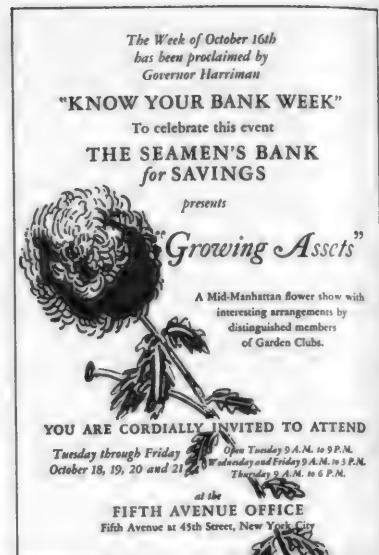
House had a radio program that explained how banking affects the lives of a farmer, an industrialist, a housewife, and a veteran. Buffalo banks had a Business-Industry-Education Day during the week.

"Growing Assets"

At the Fifth Avenue office of THE SEAMEN'S BANK FOR SAVINGS, New York, the Week was celebrated with a clever flower show, "Growing Assets." Garden clubs in New York, New Jersey and Connecticut were invited to enter exhibits that illustrated savings banking. For example: One class, "Money in the Bank," was a composition with an antique coin bank as an accessory (selected from the Seamen's famous collection), staged on a bank desk. A program note said: "A coin bank helps one save regularly."

The "Something for the Baby" class was a miniature arrangement

(CONTINUED ON PAGE 126)



This is the cover of the novel "Know Your Bank Week" flower show program at a New York City bank

Tellers Visit Customers

GEORGE M. WASEM

MR. WASEM is vice-president of the Commercial National Bank of Peoria, Illinois.

TODAY, the emphasis in banking is on selling.

A review indicates that most business development activities are concentrated heavily in call programs; and relationships developed through advertising, through general public relations activities and so on. For the most part, these phases of new business work are supervised and executed by officers.

There are "tricks in every trade" and none is more filled with innovations than selling bank services. One device being used successfully is a call program by commercial tellers. The innovator is the Commercial National Bank of Peoria.

Each day the cashiers, bookkeepers and office managers of many customers visit the bank and its tellers. The bank's plan calls for the commercial tellers to return these visits at the customer's office. The call is made on the cashier or the bookkeeper rather than on the "boss."

Each teller has compiled a list of his most active customers. These

are reviewed with the department head and the public relations officer. The calls are scheduled by the department head.

A format is followed. Before a call is made, the teller is briefed on the history of the relationship and other facts in order to give him necessary background information.

During his call, the teller is asked to do four things. First, he is to offer a suggestion or two, if possible, that might help the bookkeeper. Suggestions have included an idea on the make-up of the deposit, a suggestion to call the bank in advance in case of a large cash withdrawal and thereby preclude any waiting, and a recommendation that deposits be left "subject to count" in order to prevent unnecessary waiting. The teller is to express appreciation to the bookkeeper for his efficiency.

Second, the teller is to ask for suggestions that might be helpful to the bank. The Commercial Bank has received several practical recommendations it has put into effect.

The staffer is to ask to meet the "boss." After explaining the purpose of the call, the teller suggests that if any of the company's staff

requires financial assistance or advice, "please refer them to my bank and I'll be happy to introduce them to the proper officer."

Finally, the teller is to invite the bookkeeper to a tour and lunch at the bank.

A memorandum of the call is prepared by the teller and reviewed by the department head and public relations officer for a possible follow-up.

Customer reaction to the calls has been excellent. The tellers are enthusiastic about the program. It has made them regular players on the sales team.

The plan was first put into operation several years ago and has been used periodically ever since. Because of vacations, intra-bank transfers, promotions, and the like, it has not been possible for this \$75,000,000 bank to conduct a continuous program. Instead, it is put into effect in the fall and spring and discontinued during the holiday season and vacation period.

This is an idea to increase your business and goodwill, by using some of the very important people below the top level in a call program of their own.

Canada and Petroleum

OIL exploration and development in western Canada since 1947 have required expenditures of over \$2-billion by more than 250 companies, including most of the major American petroleum corporations. In results, these operators have over 7,000 productive wells with proven reserves exceeding 3-billion barrels, as well as nearly 20-trillion cubic feet of natural gas. The oil wells have a productive capacity of nearly 600,000 barrels per day, but a market for only about 400,000, as these fields in western Canada are land-locked and far distant from the largest markets. Western Canada, including British Columbia, and the Province of Ontario meet most of their requirements from these fields, which also supply wholly, or partly, two refineries near Seattle and one in the St. Paul-Minneapolis area. But oil from these sources cannot be transported economically to the Provinces of Quebec, New Brunswick, Nova Scotia, and Prince Edward Island, so their requirements are met by importing crudes, mainly Venezuelan. In time the accessible markets for western Canada oil will expand so as to take up the present surplus and eventually the Pacific and northwestern states may need such larger quantities as to raise the output in western Canada to about 1,000,000 barrels per day.

An even greater marketing problem is presented by natural gas. There is a limited market for this in western Canada, but a great need for it in the Pacific and northwestern states, as well as in central and eastern Canada. Arrangements have been made to pipe gas from Alberta to British Columbia, and from there to the states of Washington and Oregon. This project is supported by a number of American gas transmission companies and now requires only the approval of the Federal Power Commission in Washington, which is expected shortly.

A much bigger project is that to pipe gas from Alberta to central and

CHARLES M. SHORT

eastern Canada. The plans of a company formed for this purpose were found to be economically unsound, particularly in view of the Dominion Government's insistence that the line be all Canadian, much of it through barren country. The plans have been reframed to provide for an extension from Manitoba to Minneapolis and for the financing of the long stretch of barren territory between Manitoba and northern Ontario.

The Dollar Weakens

The many delays in this project and the prospect of some slackening in oil development, with consequent lessened requirements for American financing, have had something to do with the weakening of the Canadian dollar. There were other reasons, notably the break in the stock market following President Eisenhower's heart attack and the stiffening of interest rates in the United States which led to some liquidation of Canadian securities by American holders. The closer approach of the Canadian and American currencies has been welcomed in financial circles and many business quarters in

Canada because it promises more equal trading relationships.

One of the most highly mineralized countries in the world, Canada has mining operations on more than 13,000 properties, with an annual production value of over \$1,500,000,000. They are among the largest and most varied to be found anywhere, ranging from the extraction of such common materials as peat moss, salt, and building stone to gold, nickel, platinum, and uranium. In all, 60 of the 90 known minerals are produced in Canada.

The generally defined mineralized areas of Canada are the pre-Cambrian, Cordilleran, and Appalachian formations, which, combined, practically fill a physiographic map of the entire land area of the country. These vast, highly mineralized areas are the sources of the world's largest supplies of nickel, asbestos, and platinum. They rank second in the free world in gold, zinc, and cadmium; third in copper; and fourth in lead and silver. They also furnish substantial quantities of light industrial metals, such as magnesium, cobalt, titanium, tellurium, and nepheline syenite, which have assumed commercial importance recently.

A petroleum refinery stands in the midst of Alberta wheat fields, with the snow-capped Rocky Mountains in the distance



CANADIAN PACIFIC RAILWAY

"Dear Santa—"



Please give the boss a crayon
that writes "OK" on the first
draft of every ad I write.

Advertising Manager

By DICK ERICSON



Please give me coins made
of aluminum.

Armed Car Driver



Please give me an invisible stick
so I can whack the knuckles of
the little darlings who spill sand
on the floor. Floor Guard



Please give me NOBODY at my window
every day at three o'clock

Teller



Please give me a warm, cordial welcome just once, no matter what time I arrive
Bank Examiner



Please give me plenty of qualified applicants for every position.
- Personnel Director



Please give me all AAA bonds!
Investment Office



Please give me no maximum balance!
John Q. Public

An Informative Case History in BRANCH LOCATION

The author is a consultant in the firm of Barrington Associates, New York City, an organization engaged in business research and management consultation.

SELECTING the ideal location for a branch is probably as unordinary and demanding a procedure as ever arises in conducting the affairs of a typical bank. Hence, it is understandable if the average banker turns outside his own organization for help. The experience of one who did is related here because it illustrates several techniques that can help to solve this type of problem. All of them can be employed by bank personnel, and some might be overlooked.

WENDELL AUGUST, JR.

The bank president in question was on somewhat of a spot. He and the other directors had voted in favor of establishing a branch. Their pooled knowledge of their metropolitan area left very few of its characteristics to the imagination. But a final selection of the one best branch location was complicated by the many competing but not always comparable attractions offered by the different neighborhoods. Sentiment and opinion among the directors also lent elements of confusion to the situation.

Consequently, they agreed to en-

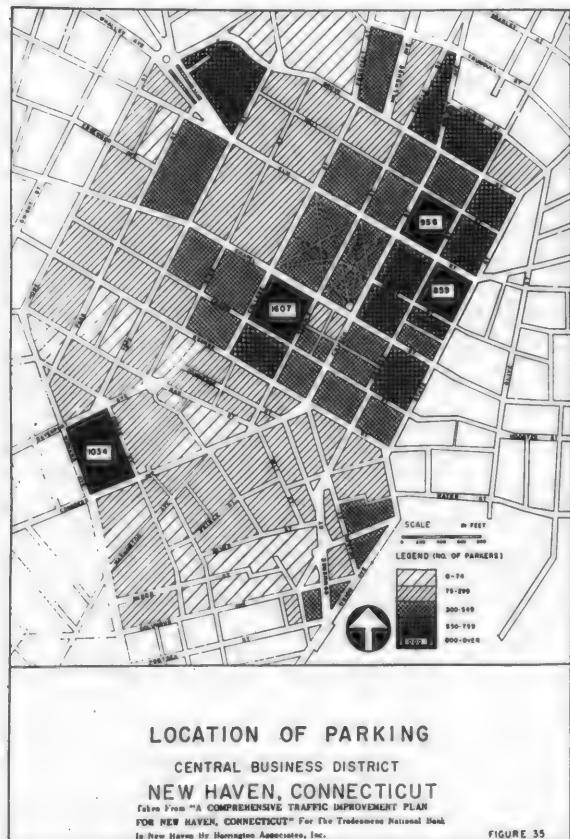
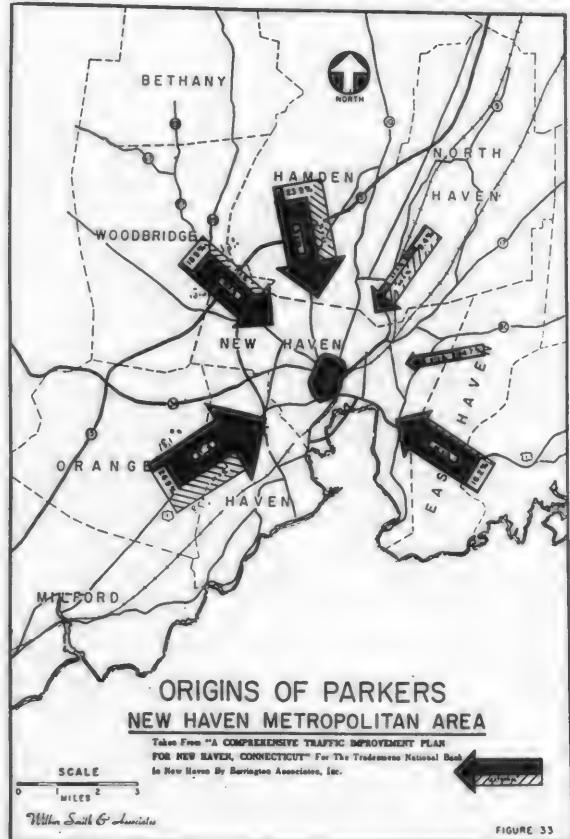
gage the services of a management consulting firm to determine the most desirable locality for a branch. The resulting conclusions and recommendations, on which they acted promptly and unanimously, were a product of the following steps.

First, a yardstick was developed for the entire eligible area. Census figures for the city and its suburban communities were used, along with a count of banks (including branches), to calculate the population per bank for each community. Then the communities were ranked according to coverage.

To make a more realistic appraisal of banking potential, this step was refined. A theoretical branch was

(CONTINUED ON PAGE 142)

Two of the especially prepared maps which helped form the final decision



"Blue-Sky Thinking" and Scrambled Verbiage Have Caused Only Confusion

Electronics Down to Earth

HARRY E. MERTZ

Following are excerpts from a talk which Mr. MERTZ recently gave before the New York State Bankers Association's Farm Credit Operations Conference. Mr. MERTZ is assistant executive secretary of the National Association of Bank Auditors and Comptrollers.

ON any given day, you can pick up any periodical and the chances are 10 to 1 that somewhere there will be an article or information dealing with the subject of electronics or automation. This flood of information has resulted in the subject's becoming the most popular since sex was invented.

It is bad enough that every person who can write has tried his hand at this seemingly new "child"—that he considers himself an expert—and that he must have his day in the field of technical literature. But in addition, all bankers' meetings have joined this trek to the fountains of wisdom and insisted upon having at least one speaker on the subject at every meeting.

Why this tirade against electronics and automation? Primarily because too much "blue-sky" thinking has been foisted on a misinformed industry. From where we sit, this scrambled verbiage has added nothing but confusion.

Rampant Confusion

To illustrate how confusion runs rampant, bankers earnestly ask us this question: "I am faced with replacing bookkeeping (or proof or savings) machines within the next two years. What shall I do? Shall I investigate present equipment or shall I wait for these new mechanical wizards?"

These same inquirers do not realize that if they were to make a simple punched-card installation tomorrow they would need a trained, ex-

perienced individual who would know how to set up this work, wire the control panels, know how to process, sort, and print out the information. And they would have to pay this individual a salary commensurate with his knowledge and experience.

I realize that there are many bankers who will say that they will never have need for this type of information. But above everything else, bankers should be vitally interested because the day is coming when customers will look to them in an advisory capacity.

The next consideration is *terminology*. The word "electronics" seems to be applied to everything that is new-under-the-sun. Again, this results in misunderstanding and confusion. Some things are electronics, and some things are not!

When you hear the word "electronics" it merely means the science that deals with the behavior and study of electrons, the particles constituting the elementary force of negative electricity, especially in vacuum tubes. But let us forget this word and move to another one—"automation"—which is also an overworked word.

Automation is the substitution of mechanical, hydraulic, pneumatic, electrical, and electronic devices for human organs of observation, decision, and effort. It is not a new art or technique. It really has been with us a long time; inventors started to add special controls to handweaving machines as early as 1678.

Naturally, when these machines are used to their best abilities there are clerical savings (at least we hope so). They are capable of running through a long series of operations without human interference. They also have the ability to program exceptions.

Characteristics of these machines:

(1) Input device—this can be likened to a typewriter or a single adding machine.

(2) The method of obtaining input—may be by direct keyboard or a typical typewriter or punched cards. Tapes of varying types may be used, such as paper, metallic, or plastic.

(3) The computer proper—internally they vary. They will have: a *memory section* for storing information until needed; an *automatic unit* which does the mathematical computations; a *control unit* for instructions, etc. (picture these as a man's head or brain).

I do not believe it necessary to describe the types of memory units except as a matter of information—so that when you hear the words you will not become confused.

They are magnetic cores (high speed), magnetic discs (high speed), magnetic drums (low speed), electrostatic grid (live "TV tube").

Speed, Size, Price

Computers vary in size and price, and I believe there are about 10 or 12 companies now in the process of manufacturing and distributing, each one of which will convince you its own is the best. It is almost like buying a car. The main thing is, how fast do you want to travel? This brings up another factor—*speed*. To the best of our available information, where these machines are in use their capacity in regard to speed has not been taxed.

With all this lead-up information, the most important question to you is:

Can these "wizards" be used in banking? If so, where?

I would be inclined to give the first a qualified *yes* on the basis of present information, equipment and, last but by no means the least, price.

The large or general purpose computers can be used for payroll, production control, budgeting, trust accounting, and many of the repetitive tasks now handled in the bank.

(CONTINUED ON PAGE 138)

Home Improvement Loan Ads

*On these two pages
are examples of
how banks are
helping customers
improve
residential
properties*



A new coat of paint?
Weatherstripping?
Insulation?
A new heating plant?
A new roof?

... Whatever may be needed to make your home more attractive or more comfortable, talk with us about arranging a low-cost Home Improvement Loan.

Eight offices for your convenience.

All Offices Open Friday
Evening 4 to 7.



Main at Market—East Chattanooga—Eastville, Ga-Tenn.
1300 McCallie Ave.—2200 Broad Street—1 Cherokee Blvd.
Member Federal Reserve System
Member Federal Deposit Insurance Corporation

put your home
in tip-top shape
... get a low-cost
**home improvement
loan**

at the "department store of financial services"

Wait wait? There's no need to delay your enjoyment of modernization or an addition because you don't have the cash at the moment. And if you postpone repairs, the trouble gets worse — you end up with a much bigger bill.

Get a HOME IMPROVEMENT LOAN of up to \$3500 at Fidelity! Service is quick and confidential, and Fidelity's low bank rates save you money. You have up to 36 months to repay, with installments designed to fit your budget. Stop in soon or—easier yet—apply by telephone.

bank at FIDELITY

Fidelity-Philadelphia Trust Company
Broad and Walnut Streets • Riegley 5-1123
14 convenient offices throughout
Philadelphia and Delaware County
Member Federal Deposit Insurance Corporation

CONSTRUCTIVE FINANCIAL SERVICE

**A MESSAGE TO HOME OWNERS
OF Greater PARK RIDGE**

We will provide the funds you need when making repairs or improvements to your home . . . The work may be done by regular contractors—or—you may do it yourself.

- No Down Payment Is Necessary
- You can borrow up to \$2,500 and repay in convenient monthly payments
- Loans are tailored to suit your needs and income
- You may take up to 3 years to repay

TELEPHONE US OR DROP IN FOR FULL INFORMATION

Citizens State Bank
OF PARK RIDGE

Telephone 442-1155 • 442-1156 • 442-1157
TALLAHASSEE, NEW YORK, 14270
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**You Are Insured
When You Borrow For
Home Improvements
Under Our
Modernization Plan.
Inquire At Any Office!**

FIRST NATIONAL BANK OF ARIZONA
HEAD OFFICE, PHOENIX
BRANCHES: (IN MOST BUSINESS CENTERS)
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**Perhaps Your Home
Needs Improvement, Too?**

Do it yourself or have it done . . . we can help with the financing. Then pay us back by the month at your convenience . . . out of income.

GARFIELD TRUST COMPANY
"The Friendly Bank"
11 OUTWATER LANE GARFIELD
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

**MAY WE HELP
MAKE YOUR HOME**

**M
O
R
E**
COMFORTABLE
VALUABLE
ATTRACTIVE

FOR HOME IMPROVEMENT LOANS

Frank Miller IS YOUR MAN

**Hollywood
State
Bank**

1001 South Alameda Street
DALLAS, TEXAS 75201
No Down Payment
10 Month Pay Back Period

Selection of Property for Gift Purposes

AGIFT during life not only has the effect of removing property from the taxable estate of the donor at his later death, but generally results in immediate income tax savings within the family group through shifting the income tax liability from a high-bracket donor to a low-bracket donee. Throughout this article it will be assumed, as will almost always be true, that the donee is in a lower income tax bracket than his donor.

Income Producing Property

Since payment of a gift tax can achieve both estate and income tax savings, care ought to be exercised in the selection of gift assets to obtain this double advantage. A few obvious suggestions may be made at the outset:

(1) Tax exempt bonds should not be given because, while they reduce estate taxes, no income tax savings result.

(2) It is better to give a 6% mortgage than a 2% bond.

(3) It is generally preferable to give securities rather than rental property, since the available real estate deductions may be worth more taxwise to the donor than to his donee.

(4) For the same reason assets qualifying for depletion allowances may be more profitably retained and nonqualifying assets given away.

(5) Wasting assets such as patents, leaseholds, etc., make undesirable gift property because, while the gift tax is imposed on the present value, what is removed from the donor's estate is a constantly diminishing amount.

(6) Conversely, assets likely to increase in value make excellent gift assets since all later appreciation will escape both estate and gift taxes.

In short, that property which produces the highest net taxable income

WILLIAM J. BOWE

In two earlier articles Prof. Bowe has discussed gifts in contemplation of death (October 1955), and gifts effective for estate tax purposes (November 1955). The present article deals with the tax problems involved in the selection of the type of assets most suitable for gift purposes. Insurance as a type of gift assets was treated separately in the August 1955 issue of BANKING.

The author is Professor of Law at Vanderbilt University, Nashville.

without resulting in a gradual lessening of the capital value represents the ideal, always assuming that the factors about to be discussed do not militate against its choice.

Cost Basis Considerations

For purposes of gain on a later sale of gift property the donee takes his donor's cost basis. I.R.C. Sec. 1015(a).

For purposes of loss he takes the lower of his donor's cost or market value at date of gift. I.R.C. Sec. 1015(a). Assume our donor has three stocks, each of which has a present value of \$100. Stock X cost \$10; Y, \$90; and Z, \$150. If he gives Stock X, his donee is burdened with a large potential capital gains tax. If he gives Z, a valuable capital loss deduction may be wasted, since the loss will no longer be available to the donor and his donee will have a \$100 basis for loss purposes. Here, without other considerations, the Y stock may be preferable. The cost basis factor will always be important where the asset is depreciable. How important it will be in other situations will vary with the likelihood that the

asset may not be indefinitely retained by the donee.

Generally speaking, low-basis property should be retained to become a part of the donor's estate, for then the "angel of death" will give it a stepped-up basis, i. e., market value at the date of the owner's death. I.R.C. Sec. 1014. High-basis property should be sold by the donor and the proceeds given, thus obtaining for the donor the benefit of the tax loss.

There will be times when low-basis property should be given. Thus if a father, whose income is substantial, is about to sell for \$40,000 some stock which cost him \$10,000, he faces a capital gains tax of \$7,500. By giving the stock to his three children, who then sell it, the capital gains tax may be as low as \$2,040. This is so because the children represent three separate taxpaying entities, each with \$600 exemptions and each starting at the beginning rates. If the children have other income, only slightly lesser savings may be realized through transferring the stocks to separate trusts for the children.

Gifts of Future Income

No income tax shifting occurs when the property given represents merely a right to future income. If a bond, a capital asset, is given, the interest thereafter earned is taxable to the donee. But a donor may not transfer the tax on the later interest by cutting off the coupons and giving them while he retains the bond. *Helvering v. Horst*, 311 U.S. 122 (1940). To borrow the analogy of Mr. Justice Holmes the fruit continues to be taxable to the owner of the tree. *Lucas v. Earl*, 281 U.S. 111 (1930). This fruit-tree doctrine has made it impossible to shift the tax liability on earnings, past or future. It effectively

(CONTINUED ON PAGE 118)

Connecticut Bankers Hold a

Flood Disaster Conference

FORTY of Connecticut's commercial banks have made disaster loans totaling \$5,100,000 to speed recovery from the floods following Hurricane Diane on August 19. It is expected that this total will be increased because of the floods following the heavy rains of middle and late October.

This report on disaster loans was made by Connecticut Bankers Association President Frank G. Whitney at a Flood Disaster Conference, sponsored on October 26 by the Public Relations Committee of the CBA. Mr. Whitney is president of the Torrington National Bank and Trust Company.

The conference, which was attended by 200 of the state's commercial and savings bankers, heard a panel discuss measures which may be taken by bank management to insure continuation of banking service in the event of a disaster of any type. Speakers represented the banks, the American Red Cross, the Small Business Administration, and the Farmers Home Administration.

Another feature of the conference

was the recognition of 42 bankers who were honored for their services during the reconstruction period following the floods.

Among bankers honored for their services in cooperation with the Small Business Administration were Bridgeport-City Trust Company: Nelson R. Collings, Jr., assistant manager, consumer credit department; Carleton T. Sampson, manager, credit department; Norman Schaff, Jr., assistant vice-president;

Ralph B. Sperry, assistant vice-president.

Bridgeport-People's Savings Bank: George B. Longstreth.

Connecticut Bank & Trust Company, Hartford: Winslow B. Ayer, assistant treasurer, main office; Stanley B. Costales, assistant vice-president, Phoenix Office, Hartford; Rheal Daze, assistant treasurer, Pearl Street Office, Hartford; Lawrence Goodenough, assistant treasurer.

(CONTINUED ON PAGE 99)

Three participants in the conference were, left to right: Arthur E. Long, director of the New York regional office of the Small Business Administration; Frank G. Whitney, president of the Connecticut Bankers Association and of the Torrington National Bank and Trust Company, Torrington; and Henry H. Pierce, Jr., Connecticut State Bank Commissioner, Hartford



Members of the panel who discussed flood damage protective measures were, left to right: Joseph Bove, secretary-treasurer and assistant trust officer, The Cargill Trust Company, Putnam; Wayne Alderman, vice-president, Brooks Bank & Trust Company, Torrington; John H. Payne, Jr. (standing), vice-president, Colonial Trust Company, Waterbury, panel moderator; Richard B. Haskell, executive vice-president and treasurer, Mechanics Savings Bank, Hartford; and William G. Boies, president, Naugatuck National Bank, Naugatuck



GOVERNMENT BONDS

Business Indices Still Favorable . . . Loans Rise Further . . . Federal Reserve Leaves Well Enough Alone . . . Treasury Bills in Demand . . . "Negative" Bank Reserves Larger . . . Treasury Financing in December . . . Market for Governments Denies Prospect of Tighter Money

MURRAY OLYPHANT

THE market for Government securities in recent weeks mistakenly refused to believe there was danger of any further tightening of the credit screws, and seemed convinced the political implications for 1956 assured that the monetary authorities would be extremely hesitant to do anything which might slow down prosperity.

Effect of President's Illness

For a short time after the first impact of the President's illness had jolted business sentiment, there was a feeling among monetary policymakers that any further tightening of the credit reins would be unnecessary at this time. However, with the return of the President to fairly active participation in administrative affairs, business confidence returned and the boom was apparently back in full force.

With this rapidly changing situation in mind, and the ever-present threat of inflation to meet, the Reserve Board approved increases in the discount rate from $2\frac{1}{4}$ to $2\frac{1}{2}\%$, to take effect in all of the principal regional banks.

This was definitely part of a continuing effort of the Board to keep the boom from getting out of control. Being the fourth increase of the discount rate this year, it was regarded as a clear signal by those in closest touch with monetary policy that the big problem was still one of curbing business exuberance.

Business Figures Still Point Upward

With the gross national product reported for September as at an annual rate of \$392-billion and expected

to reach perhaps \$400-billion by December, there was no doubt of the continuance of the extraordinary volume of business turnover. Not only that, but the latest figures for unemployment had dropped to almost 2,000,000 which is pretty close to an irreducible minimum when the number of unemployables is taken into consideration.

Moreover "spendable income" was continuing to make new high records and, despite the steady rise in consumer loans, savings were still rising although at a somewhat lesser rate.

The durable goods industries continued to operate pretty close to capacity with an increased backlog of unfilled orders. Some products of mines were in scarce supply. The absorption of consumer goods showed a minor lessening which was expected to be corrected when the Christmas trade had had its effect.

Private housing starts were reported at lower totals than a year earlier but public construction—schools, roads, bridges, etc.—was counted on to show a steady increase.

All in all there was plenty of evidence that business volume of all sorts could be expected to continue and even increase for some time ahead.

Loans Rise Further

What has occurred is reflected plainly in a comparison of the various loan categories of the reporting member banks as of January 5 and October 26, 1955 as follows:

	(000,000 omitted)	Jan. 5	Oct. 26	Change
Gross loans	\$40,636	\$46,071	+\$5,438	
Business loans	22,834	25,124	+ 2,790	

Real estate loans	7,182	8,049	+	867
Consumer loans	8,181	9,824	+	1,643
Loans to carry securities	3,642	3,811	+	169
Loans to banks	832	779	-	53

Furthermore, between now and the end of the year a further increase is practically certain. How much is anyone's guess but it could be substantial. If it is, then some further credit restrictive measure might be in order. If the rise is not very great—less than last year, for example—there might be good reason to look for some tapering off in business volume next year.

Opinion seems to be pretty general, however, that a considerable further rise in the total can be expected before the year is over.

Federal Reserve Leaves Well Enough Alone

From September 28 to October 12 the Open Market Committee added \$289,000,000 to the Federal portfolio of Government securities. It did so primarily to offset the increased reserve requirements of the member banks resulting from the banks' heavy purchases of the new $2\frac{1}{4}\%$ T.A. certificates.

In the next two weeks the portfolio dropped slightly as purchases of a few more bills in the market were more than offset by the extinguishment of all repurchase agreements with dealers.

This was all routine at a time of Treasury financing. The impression prevailed that the monetary authorities were sitting tight and were content for the present to let well enough alone.

No Rise in the Rediscount Rate

This was emphasized when, no sooner had a weekly issue of Treasury bills sold in mid-month at a rate (2.33%) in excess of the 2 1/4% rediscount rate and rumors of a rise in the rate were ripe with some market unsettlement, than articles with Washington date lines appeared to the effect that the high rate of Treasury bills was probably the result of temporary conditions and that no rise in the rediscount rate was under consideration.

Treasury Bills in Demand

The effect of this on the market was proved in the next several weeks in each of which the cost of the roll-over of Treasury bills successively declined to about 2.18% on October 31.

Not only that, but the demand for bills from corporations increased rather heavily so that by November 4 bills had been taken from dealers at slightly under a 2% discount basis.

Actually the market supply of bills is negligible. As of October 26 the reporting member banks only

had a little over \$1-billion while on November 2 New York and Chicago reported holdings of only \$362,000,000.

Corporations now really make the market for Treasury bills and when their funds are available they clean the dealers' shelves. It seems to be this which results in the anomaly of a lower cost for Treasury bills in the face of no excess banking funds whatever.

"Negative" Bank Reserves Still High

All during October the member banks were borrowing heavily from the Federal Reserve discount window. For the month "negative" reserves averaged about \$350,000,000. Actually on November 2 the banks were borrowing \$1.85-billion, the highest amount for any day this year. For that week the average "negative" reserves were close to \$450,000,000.

It gets more and more difficult for the banks to adjust their reserve positions. Their holdings of Treasury bills are very low and their holdings of Treasury certificates and

notes have been sharply reduced during the year. Such a situation is very restrictive when they meet a demand for new loans, as they know that additional borrowing from the Federal Reserve will be scrutinized for its purpose and repayments can not be too long delayed.

Treasury Financing in December

About \$5,350,000,000 of 1 1/4% Treasury certificates and about \$6,850,000,000 of 1 3/4% notes mature on December 15. This sounds like a lot, but really is not any problem. About \$5,800,000,000 of the two maturing issues are owned by the Federal Reserve banks which will surely want a short term replacement.

This leaves only about \$6,400,000,000 in other hands and the greater part of that amount is owned by banks. It seemed a reasonable assumption that banks would not want to make much extension of maturity in view of the extent to which their secondary reserves have been depleted this year.

The problem of the Treasury was
(CONTINUED ON PAGE 112)

THE INVESTMENT MARKETS

H. EUGENE DICKHUTH

OUTSIDE of a continuous rise in interest rates, the biggest single event in the investment markets was that Ford Motor Co. made the long expected announcement it would make available to the public, through the Ford Foundation and a reclassification of stock, 60% of voting shares in the company.

Ford Motor companies in other countries, such as England, have been held publicly for some time, but the Ford family here and other family interests up to now have maintained the status of the largest family-controlled enterprise. The public offering is expected after the turn of the year. It will involve, eventually, some \$420,000,000 within a price range of \$40 to \$60 a share, it is estimated at this time.

The equity markets have recovered from their shock of the Presidential illness and are showing strength again. This is based essentially upon the boom conditions which are prevailing, including full employment, full production, higher dividends than last year, higher corporate earnings in nearly all brackets of business and the many optimistic statements which have been issued about the future.

The markets for Treasury and private bonds have also been satisfactory. In fact, they were much better than was expected by the experts who were anticipating further declines in the face of rising interest rates. The suspicion still remains that the bond market is quite vulnerable and that a downward price trend cannot be ruled out in view of continuing tight money.

Much of the future demand for new money in terms

of common shares, preferred stocks, and bonds will depend on the requirements of private industry, municipalities, and states. Owing to an increasing population and rapid advances in technology and automation, demands for new funds have been great, and they have constituted a great stabilizing influence in all investment markets in the past two years. There is no reason to assume the picture will change in the near future.

October bond offerings showed a new high for that month. The total is estimated at \$1,548,647,000, which compares with \$758,700,000 in September and with \$1,342,477,000 in October 1954. Partly responsible for the showing was new highway financing, particularly the \$415,000,000 Illinois Toll Highway Revenue bond flotation.

For the first 10 months, total new bond offerings were about \$9.7-billion, which involved some 1,340 issues. This compares with \$9.82-billion for the same period in 1954 and with \$7.3-billion in 1953.

So far as equities are concerned, the October aggregate was about \$42,000,000. It hardly represents a change from October 1954 or the previous month. Most of the new stock issues were for public utilities.

The most important question in the investment markets will be the trend of interest rates. The business boom throughout the Western world has resulted in credit restrictions and higher interest rates in the free countries. So long as these conditions continue, there is no reason to assume an easing of money in prospect.

A Practical Variation

Post-to-Check Plan for Personal Accounts

CARL G. LINKE and WILLIAM F. SCHWEIKERT

MR. LINKE is assistant vice-president, and MR. SCHWEIKERT is assistant cashier of Fidelity-Baltimore National Bank & Trust Company, Baltimore, Md.

DURING the past few years much has been written about the post-to-check plan of bookkeeping, and by this time most bankers are familiar with that system. Our bank is one of many that has adopted the post-to-check plan for handling special checking accounts with satisfactory results in so far as that type of account is concerned.

Some time ago we took under consideration the adoption of this system for our regular personal accounts, and with that idea in mind our regular accounts were separated into two divisions — personal and commercial. This is a must, as it is impractical to use the plan on the heavy-volume accounts usually found in the commercial category.

When the change-over of our regular accounts to post-to-check was studied, we found a number of objections to the use of the plan as it operates in our special checking section.

One of these objections was the need for a better ledger record on our regular accounts. In order to analyze these accounts, in the manner accepted here in Baltimore, it is necessary to arrive at an average balance on which to allow earnings. This was impractical under post-to-check. Our credit department wanted a better picture of accounts, including average balances, for their use.

Because of the lack of a proper record usually provided by a ledger sheet, it was also found that we could not readily detect the accounts which are habitually overdrawn. Volume per account of this type was about double that on special checking accounts, and required the insertion of a number of items into the machine each time we posted to an active account.

The answer to these problems was obvious and simple. We would post to a small ledger sheet designed to cover the average activity on each account for one month and to fit into the acetate pockets used in the post-to-check system. These sheets give the same type of ledger record as in the past and avoid multiple insertions when posting. The ledger sheets are filed in the acetate pockets, together with signature cards, checks, and deposits posted to the accounts.

Instead of transferring balances on each statement date to a history card, as in post-to-check, the balance is transferred to a new ledger sheet. This means that the activity for each month (or cycle) appears on a separate sheet. Of course, this could create a storage problem which we plan to prevent by photographing the sheets after a reasonable period of time.

Another objection to post-to-check on regular accounts was that pick-up errors are not discovered until statements are prepared, and accounts frequently reflect the wrong balance during the remaining period before the next statement date.

To overcome this objection, and to

eliminate pick-up errors, a zero proof is used when posting. Before totaling the machine, when posting on an account, the old balance is picked up a second time and if the original pick-up is correct the machine prints "OO" on the journal sheet. In the event the pick-up is incorrect, the amount of the error will print and the error can be readily detected and corrected immediately.

Trial Balances

Under the post-to-check we trial-balance on each control as a result of preparing statements. This is done by accumulating in the machine the balances on each account as the statement is made up. This procedure is not entirely satisfactory, because it requires the rendering of every statement within a control on the same day, thereby destroying flexibility in the statement program, and also gives only one trial balance a month. Trial balances can be run under our plan at any time by listing the ledger sheets, as has been the custom.

It has been our policy to cycle the bulk of our statements; however, about 10% of our customers insist on end-of-the-month statements. These customers need not be disturbed, because we can continue to render statements as customary. We do not depend on the balance accumulation, as mentioned above, to prove our ledgers, and, consequently can prepare only the end-of-the-month statements as of the last day of the month and skip those accounts on the days when the other accounts

(CONTINUED ON PAGE 134)

Single-Card Safe Deposit System

An Experiment in "Modernizing Venerable Procedures"

JOHN N. RALEIGH

The author is manager of the methods department, The United States National Bank of Portland, Oregon.

We have a slogan in our "methods department" that, if a thing has been done the same way for more than 10 years, there is a very good chance that there is a much better way to do it. Using this as a criterion, safe deposit procedures certainly rank near the top of the eligibility list, since no major changes have been made for many years.

In an effort to modernize these venerable procedures we have set up a pilot operation in one of our experimental branches. We call it our single-card safe deposit system. The basis of the system is the contract card. This single card serves as signature card, maturity tickler, record of rent paid, medium for sending past-due notices and, of course, as the contract. The only other record we keep is a small envelope, which also serves a dual purpose, as will be seen later.

The contract card has 12 holes punched down the left hand side, each representing a potential maturity date. When a box is rented the custodian has the customer sign the contract, which is on the back of the card, and also sign the front of the card. The custodian uses an ordinary pair of scissors to notch out the proper maturity date. The remaining required data are typed on the contract card, which is then filed numerically. From this point on it will be the signature card against which all entrance slips will be checked whenever the customer desires access to his box.

The keys to all unrented boxes are stored in small envelopes which are filed numerically in the vault.

Bear in mind that contracts are also filed numerically, so we have a continuous control of rented and unrented boxes at all times. In order to deliver the keys to the customer, the custodian must go to the vault and remove the envelope containing the keys. As she takes the keys from the envelope she draws a single line through the name of the previous renter and writes in the name of the current renter, thus giving us a history card in case it

should ever be needed. This envelope is now filed alphabetically into the other empty key envelopes, which gives us an alphabetical cross-index to all rented boxes. If there is an agent or co-renter with a different name we use a supplementary cross-index card, which is nothing more than a blank white card cut to the size of the key envelopes.

Billing for annual rent has been
(CONTINUED ON PAGE 98)

Top, the key envelope, 4 1/4" x 2 1/2". Middle, combination rent-due notice and rent receipt, 7 3/4" x 2 3/4". Bottom, the contract card, which is the keystone of the system. It is 8" x 5"

BOX NO. THIS IS YOUR RECEIPT FOR PAYMENT OF THE ANNUAL RENT DUE ON YOUR SAFE DEPOSIT BOX. TELLER'S STAMP		BOX NO. DUE DATE RENT - FEE, TAX	IT IS TIME TO RENEW YOUR SAFE DEPOSIT BOX RENTAL. FOR YOUR CONVENIENCE, THE RENT MAY BE PAID BY MAIL OR AT ANY TELLER'S WINDOW. THIS ENTIRE NOTICE SHOULD BE INCLUDED WITH YOUR PAYMENT.		
REMEMBER - YOUR VALUABLES ARE SAFE WHEN DEPOSITED WITH US. THE UNITED STATES NATIONAL BANK XM 59					
KEY DEPOSIT \$1.00 RENTER'S SIGNATURE <i>John Doe</i> <i>Mary Doe</i>		RATE \$ 4.40 NAME - (TYPE) <i>Doe, John or Mary</i>		NO. 1234	
		ADDRESS <i>2318 S.W. Ninth St. Sheridan, Oregon</i>		ADDRESS CHANGES	
AGENT'S SIGNATURE		PAID TO NOV 155	PAID TO	PAID TO	PAID TO
INSTRUCTIONS Charge checking acct. for annual rent <i>John Doe</i>		SURRENDER			
JAN FEB MAR APR MAY JUN JUL AUG SEP OCT NOV DEC		DATE SIGNATURE			
XMSO					



A recent Agricultural Conference for Bankers, Farm Leaders, and Businessmen, sponsored by the Wachovia Bank and Trust Company, Winston-Salem, N. C., was designed to review agricultural progress in the area served by the bank and to evaluate opportunities for increasing per capita farm income in the months and years ahead. Left to right, Dr. D. W. Colvard, dean, School of Agriculture, N. C. State College, Raleigh; L. Y. Ballantine, N. C. Commissioner of Agriculture; and Mr. Corpener looking over some "steaks on the hoof"

It Pays to Team up with Farm Agencies

"If we, as bankers, carry out our part of the job of over-all agricultural programming . . . there will be unlimited opportunities ahead to increase and better our service to our farm customers through cooperation with Federal and state agricultural representatives."

WAYNE A. CORPENER

MR. CORPENER is manager of the agricultural department of Wachovia Bank and Trust Company in Winston-Salem, N. C.

DURING my 17 years in county agent work in Haywood County, North Carolina, I suppose I promoted as many educational meetings on the various phases of agriculture as has any agent in a similar span of years. But even with the constant experience gained through meeting after meeting, it took several years and a stroke of conversational luck to make me realize two important things: that perhaps I was not accomplishing as much as I should,

and could, at these meetings . . . and that one of the primary reasons for this was a lack of understanding between representatives of the state and Federal agricultural agencies within the county on the one hand, and the local banker, on the other.

An Important Lesson

There was one particular incident that forcefully brought these facts home to me. One night after a meeting in a series of educational "get-togethers" to promote the production of Grade A milk, for which we had a good market at that time, a prospective dairyman walked up to me as everyone was leaving and said, "From what you said a little while

ago, it looks like getting into the Grade A dairying business would be a good thing for me, but I will have to have some extra cash to get started and I just don't know where I could get it."

Knowing as I did our local banker (Jonathan Woody, president of the First National Bank of Waynesville, one of the outstanding community bankers in North Carolina), I assured the farmer that he could get the money he needed from the First National Bank.

It Starts With the Banker

There was more, however, to the question of "where to get farm credit" than this one instance with a

prospective dairy farmer. That night I did a great deal of thinking and wondering about how many other farmers were in the same position and needed additional bank credit. The following morning I made it a point to be at the First National Bank when Mr. Woody arrived at his office. In the long and thorough discussion which followed, we talked about the prospects for establishing more Grade A dairies in Haywood County, looked over the opportunities such an enterprise offered to individual farmers, and tried to pinpoint the pitfalls of such an operation both from the standpoint of the banker and the farmer.

Finally, we arrived at a plan whereby a more comprehensive dairy program could be submitted to interested farmers in the county.

I'm gratified to say that my discussion with Banker Woody taught me another priceless lesson—always discuss any new problem or new venture which you plan to promote on a countywide basis with your local bankers before trying to sell it to the people. There is a sound reason for this decision because state and Federal agricultural agency representatives, as well as individual farmers and other groups, have faith in what the local banker can do in assisting the promotion of agriculture in the area. With his understanding, cooperation and support, many programs succeed which would otherwise fail.

51 Dairies Added in Six Months

Resulting from this initial dairy-ing loan and from others that followed closely behind it, some 51 Grade A dairies were put into operation in Haywood County in a 6-month period. The First National Bank of Waynesville made most of these loans. This was six years ago, in 1949, and Mr. Woody told me recently that every one of those loans proved good and that, in addition, through extending this credit the bank made many friends and assisted substantially in increasing the farm income among the rural families concerned. This is just one example of some of the tremendous things that can be accomplished in the promotion of agriculture on a county- or areawide basis when there is enthusiastic close cooperation between state and Federal agricultural representatives and the local banker.

Know How + Capital = Progress

Actually, since true agricultural progress is the result of combining capital and know-how, the agricultural representatives and the local banker are dependent upon each other if maximum farm progress is to be made.

Being a former county agent, and having seen this blending of credit and knowledge pay off for farmers, makes me an even firmer believer in cooperation between local bankers and agricultural representatives. After all, both of these groups are interested in the same ultimate goal for the farmer—that is, a better way of life for every farm family, and to gain that better way of life, in most cases, it takes increased farm income. If then it is agreed that more progress can be made through research, education, and know-how supplied by the state and Federal agricultural agencies, and through capital provided by the local bank—what can be done to achieve closer cooperation between these two groups? How can we develop a program for the rural people, who comprise our farm customers, and yet not necessarily limit that program to an activity for our local bank, angled purely from the banker's viewpoint? How can we keep this from being a program merely for the county agents, the Soil Conservation Service, or for vocational teachers or other groups?

Our objective should be an overall agricultural program in which there is a place for each agency or

organization. As each group is fitted into this long-range plan at the proper place, and in the right way, the program will begin to take a successful shape. The end result will be an effective plan of action which will be beneficial both to our farm families, our farm customers, the bank, and to the community.

Some important changes have taken place in farming, many of them recently, which make it imperative that we have an over-all agricultural program. In this day and time, the farmer has to be one of the smartest individuals in the county if he is to do a really effective job of farm production. Also, he has available to work with him specialists in various fields of agriculture—each of whom is interested in promoting his own type of work and information. The farmer must determine which of the suggested operations offer him the biggest potential on his individual farm. For that reason, it is necessary that we build our program for the farmer in a manner that will allow widespread participation, developing information on all opportunities. This is excellent insurance against the failure of the over-all plan.

Capital Needs

One of the principal aids to the growth of such a program is the availability of capital, which in many cases is of an intermediate credit nature. Capital is indispensable to making necessary changes on a farm to put its operation on a profitable scale. In the type of program outlined above, complete plans are worked out on a long-range basis by the farm family in cooperation with the special assistant agent. This method is followed so the farmer and the agent have a growth chart against which to measure and compare yearly progress.

At that point, assistant farm and home agents, hired to work with the selected families, begin mutually to follow the final plan through the period ahead, constantly analyzing and adjusting the patterns they have developed when it is necessary to insure a more effective and profitable operation. It should be reemphasized that the responsibility for this program rests primarily with the farm and home agent but is carried out with the cooperation of all the other state and Federal agricultural

"Ag" leaders who accompanied Mr. Corpening on a recent tour of cattle feeding operations in Maryland and Virginia. Left to right, R. S. Brown, agricultural representative, and J. McKenney Willis, Jr., president, The Easton National Bank of Maryland; Mr. Corpening; Kenneth Clark, cattle buyer of Baltimore; and Dr. Joseph Pou, head, Animal Industry Department, N. C. State College, Raleigh



agencies. It is generally agreed that this approach to working with and assisting farm families is a sound and logical method. It has also been found that all agencies, groups, and individuals concerned cooperate wholeheartedly in making this type of program a success.

From the banker's standpoint, a program of this type has several advantages, including the fact that loan risks may be reduced substantially through the closer supervision exercised under this method. This integrated plan insures the farmer obtaining all the available know-how from our state colleges and experiment stations, a paramount requirement if he is to operate successfully.

Mistakes in farming were not too costly a few years ago; however, the cost of mistakes in management decisions in agriculture today has gone up tremendously. But, by the same token, the returns for superior management are greater today probably than at any other period in our history.

It is, of course, necessary to keep the farm customers' programs on a sound business basis since much of the progress of an area depends on the progress made by individual farmers. What then can banks do through closer cooperation with state and Federal agricultural agencies to improve their service to their farm customers?

Steps to Action

If the local bank already does not have an officer who is experienced, or at second best, well versed in agriculture, and who knows the farmer's problems as well as the opportunities that exist for him, the first step should be to hire such an individual.

Today, farming is a big, highly important and flexible business and it must be treated as such if it is to be profitable. Therefore, someone in the bank should know the agricultural picture from all angles, and should be able to assist and make suggestions to farm customers in their dealings with the bank.

A second and highly valuable step banks can take is to know all the state and Federal agricultural representatives within the county or area served by their institution. They should also make it a point to know the jobs of these various rep-

resentatives and their responsibilities. Nothing can take the place of knowing each individual on a first name basis, so that you can discuss with him what he wants to accomplish and find out how you can fit into that picture.

If there is not an over-all agricultural program currently operating within your community or county, based on providing continued assistance to the farmer, then the local banker is the logical person to "start the wheels turning" toward getting such a program under way.

Partial Picture

Some people may say, "Aren't you forgetting there is a county agent in every county in the United States, and that we have vocational teachers, Soil Conservation Service representatives, Agricultural Stabilization Conservation Program workers, and others in every county working toward the betterment and advancement of agriculture?"

It is true that we have a wealth of agricultural personnel striving for the advancement and progress of agriculture, and they are doing an exceptional job. However, the type of program needed, as stated earlier, is one in which all of these agencies cooperate to promote better agricultural practices and thereby further improve the standards of farm living. It is all right to acknowledge the fact that we already have an active organization of agricultural workers in each county. But it is important that we do not overlook the greater advantages which exist through a program designed and tailored to fit the needs of the farm family and community. Of necessity, this program must be one involving wide participation.

Some Examples

These programs have been operating successfully in some counties for many years; however, there are areas where such plans are still in the "thinking stage" but where tremendous progress could be made if they were put into action immediately. Such a program, drawing together into an enthusiastic working group of the rural people, professional agricultural workers, bankers, businessmen, and others interested in promoting agriculture, can be a most powerful tool for the improvement not only of the agricultural and community life of an area but of

its entire economy. The support for the program must come from within, for if the rural families, the local businessmen, the local banker, and other groups in a position to reap the rewards of such a program are not vitally interested in that program, then support from outside cannot be automatically expected.

Extra Advantages

In addition to its other advantages, a long-range agricultural program can provide another tie-in with our farm customers through cooperating with agricultural agencies in farm youth work. Opportunities exist through 4-H Club programs, Future Farmers of America, Future Homemakers, and other activities involving younger members of the farm family. Since our leaders of tomorrow are our boys and girls of today, every dollar and every hour spent in the advancement of this type of program will be repaid many fold in the future. There are few, if any, farm customers who do not sincerely appreciate the work and effort a local banker contributes in assisting their 4-H Club boys or girls or Future Homemakers, or Future Farmers. Our children are close to all of us, and many times it will be found that more progress can be made with farm customers through these previously mentioned types of assistance than in any other way. Programs for farm youth are also an excellent medium for our adult farmers and farm women because they have a definite hand in developing these activities both directly and through their children.

Home demonstration workers are doing and have done an exceptional job. It would be a definite aid to faster progress if more of our rural women could be members of Home Demonstration Clubs. What is needed then in many areas are more Home Demonstration Club workers. This goal is often reached through an over-all farm program developed within a county by a local bank.

Help Welcomed

Banks participating in agricultural programs can assist agricultural agencies and representatives in many ways, many of which are not otherwise available to the program. The professional agricultural worker has definite limitations which are
(CONTINUED ON PAGE 108)

NEWS for Country Bankers



This department is edited by MARY B. LEACH of BANKING'S staff.

Bankers Hours on Farm

NATIONWIDE prominence was given the New York State Bankers Association's Bankers School of Agriculture conducted annually at Cornell University, when last month the Associated Press made it the subject of a full page photo feature story for syndication to its member newspapers, according to *The New York State Banker*.

This picture story worked out by the association with the Associated Press is designed to convey to the broadest number of people in the shortest possible time how commercial banking is endeavoring to serve the needs of our nation's farmers.

The Copy

Briefly, the copy reads "Banking Hours—On the Farm."

"The banker has turned pupil and is going back to school."

"Throughout the nation, schools, clinics and seminars have been set up at various state agricultural colleges. In them, bankers learn to distinguish between a good farm and a bad farm—between a good cow and a poor one. During the mornings they sit in classrooms and listen to lectures on such subjects as vegetable growing, farm management, farm appraisal, agronomy, and dairy husbandry. Afternoons are spent in field trips to surrounding farms where the bankers get on-the-scene instruction in farming techniques.

"Recently such a group—78 of them—rose at 7 each morning to see farming as farmers see it, while living on the campus of Cornell University at Ithaca, N. Y. They were students at the Bankers School of Agriculture, first started at Cornell under the auspices of the New York State Bankers Association some 10 years ago. The bankers took a week-long course in the fundamentals of

farming; returned to their rural banks, much the wiser in the ways of the farmer and his land.

"Cornell's campus-to-cornfield bankers are pictured here."

Then in a series of eight pictures the AP shows the bankers in school and on the farm learning about farming and farmers.

A forerunner of this AP report was a feature story on the NYSBA's Bankers School of Agriculture at Cornell which appeared in the *New York Times* on the Sunday following the school's closing. Lief Olsen, financial writer of the *Times*, attended the school, took the field trips, and wrote a lengthy story based upon his personal experience. The association gave him a large selection of photos taken during the session from which to choose the illustrations used with the article.

Another syndicated story arranged by the New York State Bankers Association was written by Dorothy Roe, Associated Press Women's Editor, and tells of measures taken by banks to woo women customers.

The association, in a folder entitled "Topics of the TIMES," reproduces an article appearing recently in the *New York Times* and entitled "What Do Banks Do?" This folder may be purchased in quantity lots for distribution by local banks.

Credit Short Course

THE Association of Bank Agricultural Representatives composed of bank men from Maryland, Virginia, West Virginia, North Carolina, and South Carolina, has appointed a committee to study the advisability of establishing a farm credit short course at one of the land grant colleges in the Fifth Federal Reserve District.

Bank Buys Grand Champ

THE First National Bank and Trust Co. of Tulsa has purchased

—for the 10th consecutive year—the grand champion steer of the city's state fair.

The bank then donated the champion Angus to the Tulsa Boys' Home for its annual \$100-a-plate benefit dinner. First National has paid out more than \$20,000 to farm youth for grand champion steers.

Utah's Short Course

SIXTY-THREE young farmers between 20 and 30 years of age from 22 Utah counties participated in a 10-day short course conducted jointly by the Utah Bankers Association and the Utah State Agricultural College, Logan.

Forty-four Utah banks cooperated in the short-course program by furnishing the young farmers chosen to attend the course with funds to pay for transportation costs and their lodging. The banks contributed about \$1,200 for this purpose.

The program for the short course provided for a general session each morning for the entire group, at which time a topic of general interest and concern to all was discussed by an outstanding guest speaker. After determining the subjects of greatest interest to the students, they were divided into two groups: one to study crops and the other livestock production problems. After the first five days were over, the young men who had studied crops were shifted to livestock and the farmers who had spent the first five days studying livestock problems spent the last five days on crops.

\$50,000 Fund for Georgia Forestry Development

THE Trust Company of Georgia's Board of directors has appropriated \$50,000 to be used during the next two or three years to promote forestry and the development of for-

(CONTINUED ON PAGE 64)



At 40-to-1 reduction

New Recordak Reliant photographs documents at this reduction—highest today in 16mm microfilmers; gives you 82 pictures of checks for just 1¢

... combines all of these plus features, too—

- New amazingly accurate automatic feeder all but ends possibility of "missed" pictures. Should two documents be stuck together, they're halted at feeder's throat . . . do not travel into machine. Operator can separate immediately. Feeder also straightens out documents which are creased or folded.
- New spacing control prevents film waste . . . assures maximum number of pictures with automatic or hand feeding.
- Choice of 3 reductions lets you get right picture size for documents at hand. In addition to 40 to 1, you can photograph at reductions of 32 to 1 and 24 to 1. Lenses can be changed in a minute. One lens—in any of 3 reductions—comes as standard equipment; other two are low-cost accessories.

RECORDAK

(Subsidiary of Eastman Kodak Company)

originator of modern microfilming—and its application to banking systems

...he would look this small



3 ways to record. You can record fronts and backs simultaneously side by side on film; or record fronts down one side, up the other . . . or across full width.

Makes duplicate films. You can expose two rolls of film at all three reductions and with all three microfilming methods. Also 200-foot rolls of film can be used, which cuts time-outs for film loading in half.

Endorses or cancels. New, low-cost accessory lets you endorse or cancel in microfilming run; quickly pays for itself by eliminating a separate job.

Documents which are fed crookedly or are slightly oversize—up to 12 inches wide—can be photographed without creasing and tearing.

Every convenience for operator. Microfilmed documents are delivered in sequence to *eye-level stacking tray*

—no stooping or reaching. Tray can be adjusted immediately for varying document sizes. All controls are at finger tips. Item counter and film footage indicator are checked with a glance. Front access doors, just above stacking tray, speed lens changing, film loading and unloading.

Precision optical system. The lenses used in the Reliant are designed for microfilming only. Steel construction throughout holds cabinet vibration to a minimum; variations in room temperature do not affect optical system.

Surprisingly low priced—only \$1800. More for your microfilming dollar than ever before!

See . . . try the new Recordak Reliant before you buy any microfilmer.

"Recordak" is a trademark

Price quoted subject
to change without notice

MAIL COUPON TODAY

RECORDAK CORPORATION (*Subsidiary of Eastman Kodak Company*)
444 Madison Avenue, New York 22, N.Y.

Gentlemen: Please send folder describing new Recordak Reliant in detail.

R-II



Name _____ Position _____

Bank _____ Street _____

City _____ State _____

News for Country Bankers

(CONTINUED FROM PAGE 61)

estry resources in the State of Georgia. The fund will be used in this manner:

A portion of it will be contributed to the State Board of Vocational Education for the employment of a full time forester to serve on the supervisory staff of the State Department of Vocational Agricultural Education. This forester will be responsible for the planning, direction, and supervision of forestry instruction in the vocational agricultural high schools of the state.

Another portion of the funds will be contributed to the School of Forestry of the University of Georgia to be used by the school in conducting summer schools in forestry for vocational agricultural teachers in the state.

The balance, \$25,000, will be applied towards the purchase of 100 tracts of forestry land of 10 to 15 acres each, which tracts are to be given to 100 high schools with departments of vocational agriculture. The tracts are to be used by the vocational departments for demonstrations in forestry methods and practices and by other students as school forestry, nature, and conservation laboratories. The contribution of the Trust Company of Georgia of \$250 per tract will depend, in each case, on whether the remaining funds required to purchase individual tracts can be secured locally.

Ohio Studies Farm Credit

THE vast movement of city dwellers to the suburbs, many acquiring a few acres for part-time farming activities, was one of the significant problems considered at the annual farm credit conference of the Ohio Bankers Association in Columbus.

Other pertinent agricultural topics appearing on the program, arranged in cooperation with the Extension Service and the College of Agriculture of Ohio State University, drew more than 125 rural bankers from every section of the state.

The day-long event included talks on these topics: "Basic Principles of Livestock Breeding"; "Farm

Products Price Outlook for 1956," a panel discussion; "Bulk Milk Tanks on the Farm . . . Their Future in Ohio"; "Financial Problems of Today's Young Farmers," a panel discussion; and "Part-Time Farmers . . . Assets or Liabilities."

Cypress Lumber Study

THE Research Department of the Federal Reserve Bank of Atlanta has released its Economic Study No. 3 entitled "The Cypress Lumber Industry."

While this study is primarily concerned with the cypress lumber industry, it also contributes to the general knowledge of factors influencing financing practices in the District. It is a part of the bank's program of analyzing the relationship between economic developments and monetary and credit policy.

Farmers' Tax Guide Out

A NEW booklet, *Farmers' Tax Guide, Income and Self-Employment Tax, 1955*, has been prepared by the Internal Revenue Service and copies will be available around December 1 from the offices of the District Directors of Internal Revenue and county agents.

This 64-page guide includes 36 pages of illustrated text and 20 pages of sample farm records and tax forms. It explains, in simple language, the many provisions of the income and self-employment tax law and regulations applicable particularly to farmers and ranchers.

Key Banker "Ups" Program

GEORGE M. BAZEMORE, president of the First National Bank in Waycross, Ga., and county key banker for Ware County, Ga., has initiated a program of increased service to farm families, designed to improve the farm economy and provide better rural living conditions.

Mr. Bazemore advises that the purpose of his County Key Banker program is to make the most of agricultural opportunities in the county through the cooperation of banks and agricultural leaders.

An achievement meeting of the cooperating agencies was held last month and a 1956 planning meeting is scheduled for December. A local farm editor has been named publicity director for this project.

Re-introducing Chairman Jesse W. Tapp

JESSE W. TAPP, recently appointed chairman of the Agricultural Commission of the American Bankers Association for the third one-year term, is a native of Corydon, Ky., and is a graduate of the University of Kentucky.

Prior to his affiliation with the Bank of America, Mr. Tapp was engaged in research and administrative work in the field of agricultural economics. He was associate administrator of the Agricultural Adjustment Administration, president of the Federal Surplus Commodities Corporation, a director of

(CONTINUED ON PAGE 66)

During the Montgomery County Old Fashioned County Fair, The First National Bank of Clarksville, Tenn., kept the barrel shown in the bank's exhibit filled with ice water and had a good supply of drinking cups available. Some 4,000 visitors made use of this rustic drinking fountain





...and only now you
discover the loss!

Does your Bankers Blanket Bond extend *back into the past*, to protect you against losses you may *discover* today, or tomorrow?

It doesn't pay to take a chance—especially when it is so easy to be protected against *yesterday's* losses, as well as those that may occur in the future.

Indemnity's new excess Bankers Blanket Bond provides catastrophe protection for discovered losses in excess of a specified underlying amount. It applies whether the losses occurred before the bond was written or while it is in force.

If you prefer, you can buy this new coverage to provide excess protection on employee dishonesty

only—a risk which is taking increasing toll today. This protection is available at reduced, low rates.

For the full details on this new Blanket Bond coverage, see or telephone your Indemnity Company Agent. He will be glad to show you how easily it can be fitted into your present insurance program.



INDEMNITY INSURANCE COMPANY OF
NORTH AMERICA

One of the North America Companies which are headed
by Insurance Company of North America, founded 1792

PROTECT WHAT YOU HAVE®

Philadelphia 1, Pa.

News for Country Bankers

(CONTINUED FROM PAGE 64)

the Commodity Credit Corporation, and a director of the Federal Crop Insurance Corporation.

Mr. Tapp joined the Bank of America N.T. & S.A. in its San Francisco headquarters in 1939 as a vice-president. He became executive vice-president in 1951 and a member of the institution's managing committee and of the advisory council to the board of directors. In 1954, Mr. Tapp became vice-chairman of the board and moved his headquarters to the bank's Los Angeles office. He was elected chairman of the board in 1955.

During World War II, Mr. Tapp, on leave of absence from his bank, served first as Associate Food Administrator and later as president of the Axton-Fisher Tobacco Company in Louisville, Ky. When that firm was liquidated in 1945, he returned to the Bank of America.

Mr. Tapp has held several committee positions in the California Bankers Association. In the American Bankers Association, he was a member of the Food-For-Freedom Committee in 1942-43, and has been a member of the Agricultural Commission since 1945. He has been chairman of the Commission since 1953 and is also a member of the Association's Credit Policy Commission and of the Subcommittee on Agricultural Credit of the Committee on Federal Legislation.

In December 1952, Mr. Tapp was appointed as a member of the Interim Advisory Committee on Agricultural Policy; and in 1953 he was made a member of President Eisenhower's Agricultural Advisory Commission. He is also a member of the Commission on Foreign Economic Policy appointed by the President in 1953.

NYSBA's Teachers' Guide

A TEACHING GUIDE, *How to Use Your Bank—A Banking Guide for the Farmers of Tomorrow*, is being distributed to FFA members and Vo-Ag high school departments by the Committee on Agriculture of the New York State Bankers Association.

The chapter contents of this guide cover the following subjects:



The recipients of the first two \$400 college scholarships awarded by the Robert Strickland Agricultural Memorial Award Club congratulate each other. *Left to right*, Dr. C. C. Murray, dean and director of the Georgia College of Agriculture; Glenn O'Neal; David Cook; and M. Monroe Kimbrek, executive vice-president, First National Bank, Thomson, and chairman of the RSAMA Club's scholarship committee. A prerequisite of club membership is to earn the Robert Strickland Agricultural Memorial Award sponsored by the Trust Company of Georgia

(1) "How to Get Started in Farming"; (2) "Use of Your Bank's Deposit Function"; (3) "The Use of Credit in Agriculture"; (4) "How to Obtain Credit from a Bank"; (5) "How to Use Your Bank Credit"; (6) "Organizing a Bank"; (7) "How the Public's Interests in Banking Are Protected"; and (8) "What Services Do Banks Perform?"

The guide also includes a glossary of banking terms and phrases. In an appendix may be found a typical medium sized bank's statement of condition; a typical order on the proceeds of the sale of produce; a typical bill of lading and sight draft; a typical commercial bank check, deposit ticket, and promissory note.

Advance copies of this booklet distributed to agricultural leaders in the banking field brought many inquiries as to the possibility of its being distributed in other states. At least one Federal Reserve Bank is considering distributing it to all banks in its district. With slight modification, it is readily adaptable for such use.

Maryland's "Ag" Program

THE Agricultural Committee of the Maryland Bankers Association has announced that its program for the coming year will include these projects:

(1) Appointment of a committeeman in each county of Maryland to represent the agricultural inter-

ests of the Maryland Bankers Association.

(2) Fostering of a program of banker-farmer meetings at county or group levels.

(3) Encouraging bankers to support farm improvement associations throughout the state designed to improve operations in dairy, poultry, livestock, field crops, tobacco, and other fields; and cooperation with county, state, and Federal extension services.

(4) Inviting bankers to initiate a program of encouraging young people into agricultural pursuits through the organized 4-H Club and FFA program, cooperating to the fullest with the county 4-H Club leader and vo-ag teachers.

(5) Encouraging the development of the adult and young farmer short courses in agriculture in the rural high school and the College of Agriculture of the University of Maryland.

(6) Sponsoring a farm credit conference in cooperation with the Federal Reserve Bank of Richmond and the University of Maryland.

(7) Encouraging statewide agricultural organizations to consider the inclusion of farm finance as a subject on their program at their annual meeting.

(8) Sponsoring an agricultural breakfast at the Maryland Bankers Association convention in Atlantic City in May.

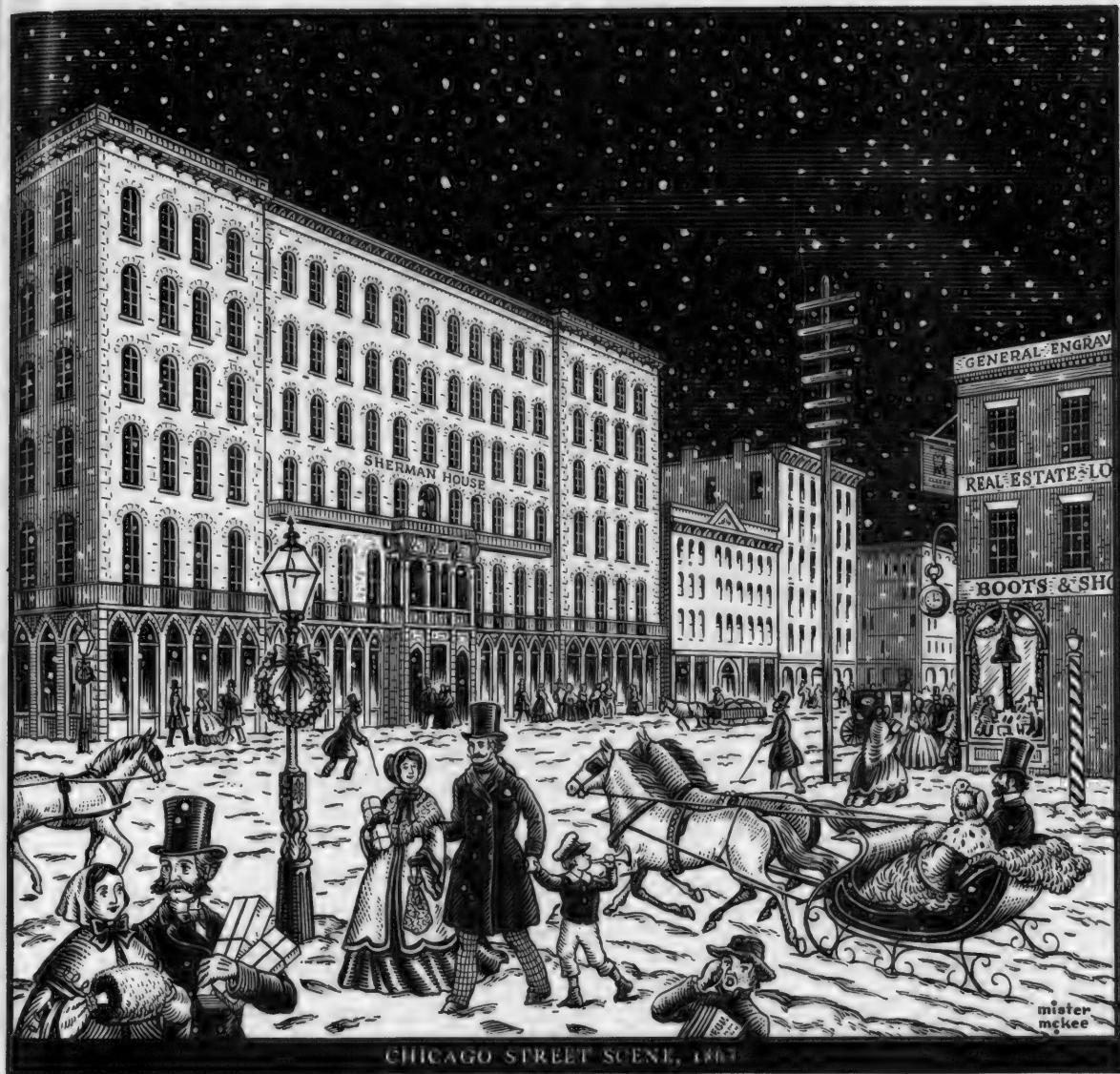
Farmers Worried?

"EVERYONE seems to be worrying about the farm situation except the farmer," reports *Country-side Marketing*.

"A recent Gallup poll queried a cross section of U. S. farmers," continues the story. "Fifty-one percent said this was the best year they'd ever had, despite price drops, while 38% allowed they'd seen better years.

"A special *Newsweek* report brought out this fact: The few farmers who have suffered severely from the decline in farm prices are 'bitter' about it, but the many who have suffered little or not at all are philosophical.

"*Newsweek's* observation: 'For that reason, the farm price drop has not had nearly the political impact that Democrats hope for and the GOP fears.'



CHICAGO STREET SCENE, 1863

To all the men and women in the banks
we deal with throughout the world

Season's Greetings

THE FIRST NATIONAL BANK OF CHICAGO

Building with Chicago since 1863

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



A Banker Builds His Community's Resources

If this country rewarded public service with knighthood, John L. Stauber's coat of arms could show evergreen trees on a field of alfalfa surmounted by the Minute Man symbol of the Savings Bonds volunteer.

The executive vice-president of the Citizens' National Bank of Marshfield, Wisconsin, in 43 years as a banker has served his community, state and nation in many ways, most importantly in three phases of conservation: conservation of soil fertility, of forest resources, and of consumer buying power through bond savings.

John Stauber went to work in a bank when he was 16. Aside from a brief period after the bank holiday of 1933, he has been active in that field of community service, and in civic, business, and professional groups ever since. He has served as vice-president and president of the Wisconsin Bankers Association and recently as chairman of its Savings Bonds Committee, which has helped to roll up a shining record for the Badger State in the bond program. He is currently treasurer of the United Conservation Fund. And he has earned the affectionate nickname of "Alfalfa John" by his encouragement of farmers in building up the soil around Marshfield by planting alfalfa on idle acres.

Constructive Projects

Of all the constructive projects that John Stauber and the Citizens National Bank have had a hand in through the years, aside from the Savings Bonds program, he looks upon the recent reforestation and alfalfa programs as two that have benefited his community the most. The way he and the bank tackled them is indicative of their approach

ROBERT W. REESE

to all problems and questions affecting his county.

Long concerned about the depleted forest reserves in once heavily forested Wisconsin, and the thousands of acres of fallow land that could not be profitably farmed with conventional crops, banker Stauber recently combined both problems and searched for a common solution. The answer, he thought, lay in planting young evergreen seedlings in the unproductive farm land. Organizing the bankers of Wood County to tackle the problem as a group, they then successfully approached the farmers on the basis of looking ahead to the financial return of the next decade and next generation.

Realizing that the planting of seedlings by hand would be a time-consuming job, the bankers purchased several tree-planting machines. These were then lent at no

cost to farmers. All this happened over six years ago. Since then, banker groups in 10 surrounding counties have acted similarly. The annual tree planting has grown by over 5,000,000 trees a year, and thousands of once-fallow acres have now been placed in the financially productive ledger.

"Trees for Tomorrow"

If reforestation on nonarable farm land was to have the permanency it needed, banker Stauber knew that something more far-reaching than tree-planting machines was necessary. He found the answer to this problem by establishing a "Trees for Tomorrow" summer camp at Eagle River, Wisconsin. Each year an average of 50 bankers attend to study and discuss the latest forestry problems and techniques so that they may better serve their farmer-forester customers.

Another problem that worried Mr. Stauber was the absence of pasture

(CONTINUED ON PAGE 70)

Secretary of the Treasury George M. Humphrey (right) presenting John L. Stauber, then president of the Wisconsin Bankers Association, the U. S. Treasury's Distinguished Service Award for outstanding work accomplished by the WBA under Mr. Stauber's leadership. Looking on are Wisconsin's senior Senator, Alexander Wiley, and Catherine Cleary, vice-president, First Wisconsin Trust Company, Milwaukee



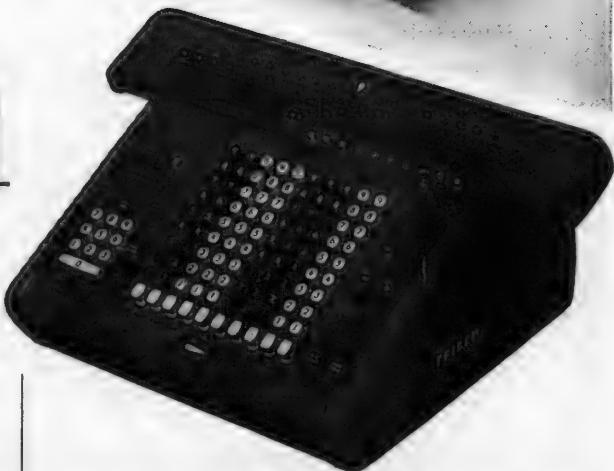


when Interest

is computed automatically

by the **Friden**

The Thinking Machine
of American Business



Today banks can't afford the human errors in figure-work that pile up overtime . . . can't afford the friction with customers human errors cause . . . can't afford to stay with figuring methods that involve only tables or adding machines.

Your answer is the fully automatic Friden—which performs more figure-work steps *without operator decisions* than any other calculating machine ever developed. Call in your nearby Friden Man and see this proved! Friden sales, instruction, service available throughout the U.S. and the world. **FRIDEN CALCULATING MACHINE CO., INC.**, San Leandro, California.

...and the big-capacity, fully automatic Friden handles other bank figure-work in a simpler, faster, more accurate way than any calculator you have ever seen. For example—

- Average Daily Balances
- Amortization
- Account Analysis
- Percentages and Ratios
- Foreign Exchange
- Federal Reserve Rediscounts
- Bond Prices, Yields,
Invoices
- Account Costs
- Interest on Notes,
Mortgages, Small Loans
- Average Daily Float



this wall-to-wall carpeting covers the source
of a multitude of benefits . . .

STANLEY Magic Door Controls

Concealed beneath the decorative wall-to-wall carpeting of this recently remodeled bank in Meriden, Conn., a Stanley Magic Carpet* Control opens and closes entrance doors for visitors . . . silently, smoothly, automatically. Vice-President Milton Tichy says, "Customer reaction has been highly favorable. Now, our lady patrons can enter easily even with baby carriages and bulky bundles. We've improved our building appearance and customer service."

Walter E. Hyneck, Assistant Secretary, adds, "Our Stanley Magic Door Controls conserve conditioned air . . . and maintenance is so simple we perform it ourselves."

An added feature is the use of STANLEY STAN-GUARDS, plastisol strips that completely cover the hinged sides of the door, make it impossible for careless fingers to be injured.

Mail the coupon to learn how Magic Door Controls can benefit your bank and customers.

* PAT. IN U.S.A. AND CANADA

STANLEY
Magic Door
CONTROLS

REPRESENTATIVES
IN PRINCIPAL
CITIES

THE STANLEY WORKS, MAGIC DOOR DIVISION
07D-M Lake St., New Britain, Conn.

- Please send me complete information on Magic Door Controls and Stan-Guards for bank installations.
- Please have your representative call.

NAME _____

POSITION _____

FIRM _____

ADDRESS _____

CITY _____ ZONE _____ STATE _____

STANLEY TOOLS • STANLEY HARDWARE • STANLEY ELECTRIC TOOLS • STANLEY STEEL STRAPPING • STANLEY STEEL

(CONTINUED FROM PAGE 68)

renovation, not only in his own Wood County but also throughout the north-central area of Wisconsin. Alfalfa, he reasoned correctly, was the crop needed to restore a vigor and strength to land long undernourished. He first visited his farmer customers and presented his idea: *unsecured* alfalfa loans at 2% to any farmer who would renovate his pasture. Following his initial success among his farmer customers, Mr. Stauber started an extensive advertising and promotional program to induce others to use this soil-enriching crop.

"Alfalfa John"

"Milk Flows Where Alfalfa Grows," "Don't Dream of Better Pastures, Renovate Them," and "Get Extra Cropland the Easy Way," were a few of the slogans the people remember about John Stauber's alfalfa campaign and the Citizens National Bank. The alfalfa program was successful. *The bank never lost a dollar on any of the unsecured loans.* John Stauber earned a new name that stuck, "Alfalfa John," and the pasture lands of central Wisconsin became a plush blanket of green.

The U. S. Treasury is grateful to banker Stauber for the outstanding work he has done for the Savings Bonds program, not only in his own county but also throughout the state. During the past three years in particular, as president of the WBA and chairman of its Savings Bonds committee, he has backed Secretary Humphrey's efforts to achieve a sound and honest dollar by talking to individuals, speaking before groups throughout the state, and vigorously promoting the sale of the Treasury's series E and H Savings Bonds.

A Cardinal Principle

All of this John Stauber has been doing in his Badger State ever since he decided back in 1913 that he wanted to be a banker. His life exemplifies one of his own cardinal principles of living: "Lose yourself in all things that are good and beneficial to man."

He has given much as a banker and a citizen to his community and his state, and he has served honorably and well the Treasury and his Government.

own
hout
nsin.
was
igor
nder-
his
d his
2%
vate
initial
com-
ten-
onal
this

alfa
etter
"Get
ay,"
ope
al-
Na-
ram
lost
red
new
hn,"
tral
arket

l to
ding
own
the
ears
the
ngs
ked
to
llar
ting
ate,
sale
H

een
nce
he
life
inal
self
ene-

ker
and
nor-
his

ING

For Dependable Help on Income Tax Problems
— at Year-End, Return Time, and Year-'round.



FEDERAL TAX GUIDE REPORTS

- Sound, dependable answers to the puzzling questions involved in unfolding federal tax changes call for a sound, dependable source of continuing facts and guidance . . . and here it is!
- Week after week, each issue of Federal Tax Guide Reports swiftly, faithfully hurries to subscribers the last word, the newest development, the latest twist and turn of events in federal taxation—of interest or importance in the everyday conduct of business and personal federal tax affairs.
- For CCH's Federal Tax Guide Reports span the whole work-a-day world of federal taxation for revenue—statutes, regulations, rulings, court and administrative decisions, returns, forms, reports, instructions. Pertinent full texts, filled-in forms, detailed explanations, editorial comments and suggestions—plus a wealth of friendly hints, tips, knacks, and pointers, from week to week, make clear exactly what to do, and how and when and why.
- Concise, compact, understandable, here is the dependable reporter on the federal taxes of the ordinary corporation, the average individual, partnership, or business. Two Loose Leaf Compilation Volumes are included without extra charge to start new subscribers off on the right foot.

Write For Further Details

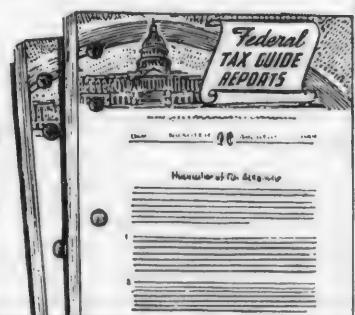
COMMERCE, CLEARING, HOUSE, INC.

PUBLISHERS OF TOPICAL LAW REPORTS

NEW YORK 36
522 FIFTH AVE.

CHICAGO 1
214 N. MICHIGAN AVE.

WASHINGTON 4
1329 E STREET, N.W.



Highlights of 1955

State Banking Legislation

JOHN RENÉ VINCENS

As a member of the legal staff of the American Bankers Association, MR. VINCENS is assistant secretary of the Committee on State Legislation and assistant secretary of the Subcommittee on Uniform Commercial Code. He edits BANKING's monthly feature, "Bank Law News."

THE enactment of complete revisions of the banking law of Illinois, and of the savings bank laws of Maine and Massachusetts no doubt constitute the outstanding legislative achievements of 1955 (ILL., S.B. 324; MAINE, c. 380; MASS., H. 2850).

The Illinois revision, the first undertaken in that state since 1888, is largely based upon the provisions of the Model State Banking Code, which was drafted in 1948 under the auspices of the American Bankers Association and a special committee of the American Bar Association. It also incorporates many provisions giving state banks powers comparable to those enjoyed by national banks, permits the state auditor authority to consider the character of the proposed management of a new bank in determining whether to grant it a charter, and greatly strengthens his power to curb unsound banking practices. Since a unique provision of the Illinois constitution requires a referendum upon any amendment to the Banking Act, the revision will not become effective unless approved by the electorate in November 1956. The principal provisions of the Maine and Massachusetts revisions are noted throughout this summary.

Recodification

Washington recodified its banking law, mutual savings bank law and negotiable instruments law, in an endeavor to restore the language and meaning which existed before the recent recompilation of all of

the state's statutes (WASH., c. 33, 13, 35).

The New York legislature authorized the first general revision of the banking laws of that state since 1914 (N.Y., S.R. 58).

Missouri created a bipartisan banking board, with power to hear and determine appeals from refusals of the bank commissioner to grant new charters or to permit changes of location by existing banks, and to advise the commissioner on the proper administration of, and recommend changes in the banking laws (Mo., H.B. 212).

Alabama transferred the supervision of its financial institutions from the state department of commerce to a new, separate state banking department (ALA., No. 204).

New Class of Banks

California created a new class of banks. Commercial banks whose articles authorize them to engage in the savings bank business may be authorized by the bank commissioner to become "nondepartmental" banks. As such, they may accept savings deposits and engage in the trust business without being subject to provisions of law requiring complete segregation of the funds of commercial, savings and trust departments. California also has permitted commercial banks having a specified minimum capital structure to engage in the trust business without departmental segregation (CALIF., c. 729).

Oregon did away with the last vestiges of departmental banking. Washington, on the other hand, established a separate 6 per cent statutory reserve requirement for savings deposits in banks and trust companies. Formerly, all deposits, time or demand, were subject to the same 15 per cent reserve requirement (ORE., c. 310; WASH., H.B. 480).

Only four states—South Carolina, South Dakota, West Virginia and Wyoming—now lack some form of legislation permitting banks to operate on a five-day week. While Maryland and North Carolina amended their limited-area Saturday closing laws to permit closing by banks in additional areas, Idaho, Montana, Nevada and Texas, which previously had no legislation, and Florida, Minnesota and New Mexico, which formerly permitted closing only in limited areas, enacted five-day laws of statewide application. Closing is permitted on any one weekday in Texas, and on Wednesday or Saturday in Florida. The other states specify Saturday as the closing day. The Idaho law calls for closing only during June, July and August; the others permit year-round closing (MONT., H.B. 116; NEV., c. 114; N.M., c. 34; MINN., c. 787; FLA., S.B. 173; TEXAS, H.B. 19; IDAHO, c. 197; MD., c. 471; N.C., H.B. 1314, 584).

Texas' 5-day Law

The Texas five-day law is unique in that it gives banks the option of closing completely or remaining open partially, for the performance of "transit operations," cashing and certifying checks, receiving payments on obligations, making change, and providing access to safe deposit boxes.

Both the Texas and Idaho laws seem to reflect a fear that a bank's competitive position will be impaired if it adopts a five-day week while others remain open, or vice versa. The Texas law provides that no bank, clearinghouse association, or group of banks shall discriminate against or refuse its services to any bank which may or may not elect to operate on a five-day week and calls for enforcement of this provision by the attorney general, under the state antitrust laws. Idaho has the first

truly mandatory Saturday closing law. It provides that "no bank shall keep open for the transaction of business" or pay, certify or accept any negotiable instrument on Saturday. Laws previously termed "mandatory" actually provided only that Saturdays were holidays for purposes of the Negotiable Instruments Law. They did not specifically require banks to close or prohibit negotiable instruments transactions. A "mandatory" law of this type, enacted by California in 1953 for a two-year period, has now been made permanent (CALIF., c. 198).

Montana tempered its new five-day law by eliminating February 12, February 22, October 12, and November 11 as legal holidays for banks which elect to close on Saturday. California removed September 9 (Admission Day) and Colorado removed November 11 from their lists of "minor" holidays, on which banks may remain open.

New Legal Holidays

Three new legal holidays were created: February 22 in Idaho; the first Tuesday in March (Town Meeting Day) in Vermont; and October 12 in West Virginia. Utah anchored to the second Monday in April its annual Arbor Day legal holiday, formerly celebrated on a day designated annually by the governor. Oklahoma made June 9 (Senior Citizens Day) a legal holiday which banks may observe or ignore, at their own option (MONT., H.B. 216; CALIF., c. 599; COLO., H.B. 74; IDAHO, c. 19; VT., S.B. 11; W. VA., H.B. 143; OKLA., H.B. 512; UTAH, S.B. 134).

No state followed the lead of Massachusetts, which provided in 1954 that its "minor" holidays would be observed on the nearest Monday, if 31 other states enacted similar legislation prior to October 1, 1956. However, a 1955 Massachusetts law, requiring no action by other states, provides for the annual observance of Columbus day on the Monday nearest October 12 (MASS., c. 199).

Wyoming became the eighteenth state to enact the Holiday Bank Transactions Statute, recommended by the American Bankers Association for the protection of banks paying, certifying and accepting checks or other negotiable instruments on legal holidays (Wyo., S.B. 44).

Implementing a 1954 constitutional amendment, the Minnesota legislature eliminated unqualified double

liability of state bank stockholders and left Arizona the only state still imposing it. Unfortunately, Arizona's liability provisions also are rooted in the state constitution. Previous attempts to repeal them having been unsuccessful, the Arizona legislature again has sent the matter to the electorate (MINN., H.B. 644, c. 14, 15; ARIZ., H.C.R. 8).

South Dakota authorized any state bank, with the approval of two-thirds of its stock and the state banking department, to issue one or more classes of preferred stock to any person, firm or corporation (S. DAK., S.B. 309).

Legislation complementing the federal "two-way street" merger and conversion law (Pub. L. 706, 81st Cong.), permitting, in effect, free passage back and forth between state and Federal banking systems, was enacted in Massachusetts, which previously had placed somewhat of a road-block in the street, and in Wyoming and Texas. A new two-way merger and conversion law in South Dakota applies to domestic and foreign corporations generally, not to banks alone. In Massachusetts, New Jersey, Wyoming, South Dakota and California, the right of shareholders dissenting to a merger to require payment of their shares has been limited to shareholders in the merging, as distinguished from the surviving, bank or corporation (CALIF., c. 234; MASS., c. 275; N. J., A. 422; S. DAK., S. B. 298; TEXAS, S.B. 274; Wyo., H.B. 67).

Mutual Savings' Surplus

The interesting question, who owns the surplus of a mutual savings bank, is posed by an Oregon law permitting any such bank (there being only one in the state) to convert into a capital stock state bank, and giving its depositors their choice of money or stock in the resulting state bank in exchange for their interest in its capital funds (ORE., c. 690).

The question appears in reverse in a Washington law permitting the conversion of guaranty stock savings and loan associations into mutual savings banks (WASH., c. 122). Another interesting proposition concerning the ownership of mutual savings banks was contained in a bill which failed of enactment in Massachusetts. It provided that every depositor of \$500 or more in such a bank would become a member of the bank, entitled to one vote in the

election of its trustees (MASS., H. 1770).

The Oklahoma legislature proposed an amendment to that state's constitution, to prohibit any bank from owning, holding or controlling the stock of another bank, other than stock pledged in good faith to secure bona fide indebtedness. The Illinois legislature prohibited the future establishment of bank holding companies in that state (OKLA., S.J.R. 35; ILL., S.B. 600, 601).

Kansas, which has not enacted the Bank Collection Code, has a new law permitting any state bank to honor and pay any draft drawn on it by another bank and presented in the usual course of business, regardless of its having received notice of the failure or closing of the drawer, if the draft represents payment of cash letters covering checks which had been charged to individual accounts of the drawer prior to its failure or closing (KAN., H.B. 375).

New Stop-Payment Law

A new Minnesota law provides that, for purposes of stopping payment, a demand item is deemed paid when the instrument remitting for it leaves the drawee bank's premises (MINN., c. 6). The law apparently is a reaction to a 1951 decision of Minnesota's Supreme Court (*Bohlig v. First Nat'l Bank*, 48 N.W. (2d) 445) holding that where a drawee bank had stamped a check paid, posted it to the drawer's account, and placed a remittance draft in the mail addressed to its forwarding bank, it still was not too late for the drawer to stop payment on the check, since there was still time for the bank to exercise its "absolute right" to retrieve the draft from the mails.

Collection statutes of another sort permit Connecticut and Massachusetts savings banks to act as collecting agents for public utility bills (CONN., No. 169; MASS., H. 2850). The minimum charge which Florida banks may make for paying or remitting for checks drawn upon them was increased from 10 to 25 cents (FLA., S.B. 172). Florida also enacted the A.B.A.-recommended Fictitious Payee Act, but for some unknown reason did not make the act applicable to checks payable to living persons not intended to have any interest therein (FLA., S.B. 171).

Iowa became the twentieth state to enact an accounts receivable filing

statute (IOWA, H.B. 233).

Indiana and Illinois enacted factor's lien laws which provide that the lien of a factor shall attach to accounts receivable or other proceeds resulting from the sale or other disposition of merchandise which was subject to the lien. Similar provisions were adopted in Connecticut, Maine and North Carolina by amendments to existing factor's lien statutes. In addition, those three states and West Virginia deleted from their statutes provisions for the posting of a sign by the factor at the borrower's principal place of business (IND., c. 167; ILL., S.B. 579; CONN., No. 185; MAINE, c. 25; N.C. H.B. 373; W. VA., H.B. 418).

New York, recognizing a distinction between conventional real estate loans and those which are only indirectly secured by an interest in realty, made its loan-value ratio restrictions inapplicable to loans secured by "a guarantee or endorsement by, or an obligation or commitment of, a person other than the borrower," or "an assignment of rents under a lease," or "a mortgage or other lien upon a leasehold." That state also gave its savings banks power to service mortgages for one another (N.Y., c. 454, 743).

Open End Mortgages

North Dakota enacted legislation giving future advances on mortgages of real and personal property equal lien status with the original advances, provided that provision for them was made in the original instruments. The maximum advance permitted on a real estate mortgage is \$2,500. In the case of a chattel mortgage, the law merely provides that the total amount of all future advances contemplated must be stated in the original instrument. Three other states liberalized the provisions of their open-end mortgage laws. Maryland increased from \$500 to \$1,500 the maximum future advances that may be secured by such a mortgage. Idaho eliminated the requirement that the original instrument indicate the maximum amount of future obligations to be secured. A requirement of New Hampshire's law that future advances be for the purpose of repairing or improving the mortgaged premises was deleted (N. DAK., S.B. 82, 83; MD., c. 178; IDAHO, c. 145; N.H., c. 64).

The enactment of industrial de-

velopment acts has come to be a popular form of legislative endeavor. These acts are of two distinct types. One features the use of public funds to construct facilities for lease to private industry. The other features a pool of private capital, subscribed by banks and other financial institutions for use in making business loans considered too risky for an individual bank. Until this year, it was possible to term the former the Southern type, enacted to encourage the migration of industry from the North, and the latter the New England type, enacted to encourage new industry to replace that which had gone South. That is no longer the case. Acts to create or authorize the creation of private development credit corporations were enacted this year in Florida, North Carolina, Kansas and New York, while acts providing for the use of public funds to create facilities for new industry were enacted in Arkansas and Vermont (FLA., S.B. 443; N.C., S.B. 552; KAN., S.B. 275; N.Y., c. 863; ARK., Nos. 144, 404; VT., H.B. 216, 370).

Washington Becomes a First

Washington became the first state to enact the new Uniform Disposition of Unclaimed Property Act, but it modified the uniform draft to provide for presumption of abandonment after twelve rather than seven years. The Delaware legislature has sent to the governor a measure providing for payment of dormant accounts to the state after fifteen years. Maryland amended its dormant accounts law to permit banks which have contracted with their customers for the assessment of stipulated charges against dormant accounts, to make such charges in lieu of those specified in the law (WASH., c. 385; DEL., H.B. 634; MD., c. 567).

In authorizing the issuance of checks and other orders for the payment of public funds bearing facsimile signatures, the Minnesota and New Hampshire legislatures thoughtfully provided that any such instrument honored by a bank shall be binding in the bank's favor, even though the facsimile was affixed without authority (MINN., H.B. 425; N.H., c. 81).

Kansas and New Mexico enacted new comprehensive small loan laws (KAN., S.B. 79; N.M., c. 128). Banks are not required to become licensed

or submit to regulation thereunder, unless they wish to charge the rates specified therein. The laws are unusual in this regard, for most small loan laws neither require nor permit banks to operate under their provisions. Instalment loans by banks usually are made under the provisions of separate laws, applicable to banks alone, which permit rates higher than the general contract rate, but lower than those permitted by the small loan law.

New Mexico banks apparently have the option of making the following monthly charges on unpaid balances, if licensed: 3½ per cent up to \$150; 3 per cent from \$150 to \$300; and 1 per cent from \$300 to \$1,000—or making loans within the general 10 per cent simple interest contract rate, if not licensed. Kansas banks have somewhat broader options. If licensed, they may make 30-month loans at 3 per cent per month on unpaid balances up to \$300, and 5/6 per cent per month on the excess up to \$2,100. If not licensed, the usury law now permits them 8 per cent, discount or add-on, on 30-month loans up to \$2,000. Under such statutes as these, two questions may arise, whether Federal law permits national banks to submit to licensing and regulation by the state, and whether state law permits national banks to charge the rates permitted licensees, without submitting to licensing and regulation.

New Comprehensive Lending Law

Oregon's new comprehensive lending law (c. 71) permits monthly charges on unpaid principal balances at the following rates: 3 per cent up to \$300; 2 per cent from \$300 to \$500; 1 per cent from \$500 to \$1,500. It does not specifically require or prohibit the licensing of banks. It does exempt persons lending money in compliance with other laws, and banks are permitted to make instalment loans under another Oregon law, at rates not exceeding 10 per cent per annum, or \$8.00 per \$100 in lieu of interest on the first \$500 of principal.

Utah's revised usury law permits banks to make 63-month, \$5,000 installment loans at 7 per cent discount, but not exceeding 14 per cent per annum simple interest. It formerly limited them to 10 per cent simple interest, plus a flat 4 per cent charge (UTAH, S.B. 124).

Michigan and South Dakota increased the maximum permissible term of bank instalment loans from two to three years; Iowa increased it from 24½ to 37 months; and Maine increased the maximum for such loans by savings banks from one to three years. Michigan increased the minimum charge permitted on instalment loans from \$1.00 to \$1.50, while South Dakota reduced it from \$3.00 to \$2.00. Minnesota increased the maximum permissible loan from \$1,500 to \$2,500 (IOWA, S.B. 93; MICH., No. 177, H.B. 181; MINN., c. 616; S. DAK., S.B. 193; MAINE, c. 380).

Indiana made its retail instalment sales law applicable to sales of \$5,000, rather than \$3,000, or less (IND., c. 16). Connecticut increased the coverage of its law from \$3,000 to \$5,000, and for the first time regulated finance charges on retail instalment sales of motor vehicles. The maximum permissible charges are \$7.00, \$9.00, and \$12.00 per \$100, depending on the car's age, with a minimum charge of \$15.00 permissible in all three classifications (CONN., Nos. 257, 282).

Defense of Usury Law Ban

New York made its law prohibiting corporations from interposing the defense of usury, inapplicable to any corporation having as its principal asset a one or two-family dwelling which was mortgaged within six months after the organization of the corporation. The change was aimed at lenders who were making high-interest second mortgage loans to small home owners, and evading the usury law by requiring them to form corporations to which the ownership of their homes was transferred and to which the loans actually were made (N.Y., c. 673).

Another form of endeavor which attracted attention was the business of "budget planning," wherein the planner agrees to pay the harassed debtor's bills, in return for the debtor's agreement to pay a certain amount periodically to the planner. The certain amount can include a stiff charge for the planner's services, and the agreement may not specify just when the debtor's periodic payments will be applied in payment of his bills. Laws prohibiting the business were enacted in Maine and Massachusetts (ME., H.B. 1157; MASS., c. 697). Bills to regulate it were introduced but not en-

acted in nine states (Cal., Ill., Ind., Ia., Mich., Minn., Ohio, Tenn., and Wash.). Two states, California and Michigan, created interim legislative committees to undertake further study of the problem.

New Hampshire enacted the A.B.A.-recommended Deposits in Trust Act, while Connecticut enacted the Adverse Claim to Bank Deposit Act (N.H., c. 319; CONN., No. 297). Another new Connecticut law permits the bank commissioner to authorize trial balances of depositors' ledgers of savings banks and departments to be taken by certified public accountants (CONN., No. 22).

Microfilming Law in 48 States

Some form of legislation enabling banks to use microfilming in their records management programs has now been enacted in all of the 48 states. Colorado and Maine this year became the last to join the parade (COLO., S.B. 35; MAINE, c. 264).

California became the twentieth state to enact the Final Adjustment of Statements of Account Act, which, in effect, provides that a statement of account is conclusively presumed correct if the depositor does not question its correctness within a specified number of years from the time of its rendition. Its value lies in the fact that the records which form the basis of the statement need not be retained after the expiration of the period of limitation (CALIF., c. 245).

There have been no changes in the methods of taxing national banks in the various states. Pennsylvania amended its bank share tax law to require banks to compute and pay the tax. Formerly, the tax was computed by the state, and banks had the option to pay it or to collect it from the shareholders against whom it actually is assessed. Bank excise-income tax rates were increased from 3 per cent to 4 per cent in Utah, and from 4 per cent to 5 per cent in Vermont. Idaho repealed a 15 per cent deduction formerly allowed banks and other corporations paying excise-income taxes (PA., H.B. 126; UTAH, H.B. 26; VT., H.B. 438; IDAHO, c. 18).

The Board of Governors of the Federal Reserve System amended its Regulation Q., to provide that deposits accepted under a payroll deduction plan and evidenced by cards

issued each payday to show the then current balance, rather than by a passbook containing a continuing record of all transactions in the depositor's account, are eligible for classification as "savings deposits," against which banks may carry less reserves than required for demand deposits. (20 Fed. Reg. 3305.) Massachusetts has permitted its mutual savings banks, which are not subject to Regulation Q., to accept deposits under payroll deduction plans, provided that statements of account are furnished to employees at least once every three months (MASS., H. 2850).

The Illinois legislature adopted a complete revision of the state savings and loan law. In Oklahoma, savings and loan associations may now issue savings share accounts evidenced by "account books"; and each \$100 credited therein constitutes one share of stock, transferable "in the same manner as ordinary certificates of stock." California associations were prohibited from giving any gift or premium costing more than \$3.50 as an inducement to investment in their shares. Iowa associations may now rent safe deposit boxes to their members. Washington associations may prepare sites for home building purposes, including surveying and platting, and laying out and installing streets, sidewalks, and utilities. Kansas, New Hampshire and Washington associations may issue guarantee stock (ILL., S.B. 565; OKLA., H.B. 702; CALIF., c. 529; WASH., S.B. 157, c. 122; IOWA, H.B. 227; KAN., S.B. 179; N.H., S.B. 28).

S&L Legislation

Trustees and officers of Massachusetts savings banks have been forbidden to serve as directors or officers of savings and loan associations (MASS., H. 2850).

A new Maryland statute prohibits the opening of branches of out-of-state associations in Maryland (MD., c. 234).

Apparently anticipating that the Congress eventually will give Federal savings and loan associations branch powers similar to the most liberal enjoyed by state-chartered financial institutions, Indiana's banking and savings and loan groups sponsored a new state law which limits associations to the same countywide branch powers possessed by banks (IND., c. 40).

BANKING NEWS

35 Sample Speeches Are Included in New Manual—"The Banker Speaks"—18 Economic Addresses Are Brand New

The local banker has long been a favorite with community groups looking for a speaker. These speeches before local organizations make an important contribution to bank public relations and need not be a chore, according to the American Bankers Association. To prove its point, the Association has announced a new speech service and manual on speechmaking designed to make the job of writing and delivering a speech easier for bankers.

The manual, *The Banker Speaks*, and the speech service, which consists of actual sample speeches on 35 subjects, are both the work of the A.B.A.'s Public Relations Council. The material is being made available to all A.B.A. member banks.

Outgrowth of Two PR Projects

The new comprehensive speech program is the outgrowth of two other A.B.A. public relations projects: (1) a smaller speech service which the Association has had available for several years; and (2) a series of bank public relations manuals on various topics which the A.B.A. has been publishing as a continuing program. These two devices have been combined to offer banks a complete range of speechmaking aids covering all aspects of writing and delivering a speech. Although the manual and the sample speeches in the service are interrelated and designed to complement each other, they are available to bankers separately.

The speech service consists of sample addresses on 35 economic subjects. Seventeen of these speeches are on subjects used in the A.B.A.'s old speech service—although the speeches have been completely redone—and 18 are on entirely new subjects. Included in the service are subjects adaptable for addressing all types of groups, ranging from school assemblies to service club meetings and farm organizations. A sampling of the subjects available in the service shows such diverse titles as "The Story of Money and

Banking," "The Reserve Banking System," "The Meaning of Inflation," "Personal Money Management," "Your Will," "Popular Misconceptions about Banks and Banking," "The Farmer and His Bank," and "Women as Family Money Managers."

A list of the subjects offered has been sent to all A.B.A. members. Since the service will be a continuing one, bankers can order individual sample speeches on different subjects as the need arises.

In offering the speech service, the Public Relations Council makes it clear that the sample speeches are not intended to be used by bankers verbatim. "They represent a factual pattern or reference guide for local adaptation," the Council states. "They are intended to meet local speaking occasions and audience situations. Actually the best talk is one which the banker prepares himself and delivers in his own style, reflecting his own personality."

No. 14 in A.B.A. PR Manual Series

The Banker Speaks is No. 14 in the A.B.A. series of public relations manuals. The books in this series have been appearing periodically over the past several years and cover different phases of bank public relations. As new manuals are added to the series, the previous ones remain available so that together they represent a growing library on bank relations with customers and employees.

The Banker Speaks is a natural addition to this series, covering, as it does, occasions when the banker is appearing publicly before his community. The book is a practical, "how-to-do-it" volume devoted largely to the mechanics of making a speech. Included are suggestions on how to prepare for a speech, how to find a speech idea, how to organize a speech, speaking on special occasions, how to get speaking assignments, how to set up an active speakers' bureau, and how to obtain publicity for speeches, along with

Graduate School of Banking 20th Anniversary Reunion Set for New York, Feb. 3

2,000 Alumni, Faculty Members and Students Are Expected

During the 20th Anniversary Reunion of The Graduate School of Banking of the American Bankers Association, which will be held at The Sheraton-Astor Hotel, New York, on February 3, the program and objectives of the School for the next five years will be the primary subject for discussion among the 2,000 out of 6,000 eligible alumni, faculty, and students who are expected to attend.

The reunion will be marked by the first official appearance of Dr. Harold Stonier as its dean and chief executive officer. Dr. Stonier, founder of the School, was its director since its inception. His position as dean of the School, following his retirement from the post of A.B.A. executive vice-president, will make it possible for him to devote more time to the educational phases of G.S.B. administration.

"While there will be a fraternal and college atmosphere at our reunion, the meeting will have a much deeper significance," says Robert W. Sparks, general chairman of the Anniversary Committee, and first vice-president of The Bowery Savings Bank, New York City. "(CONTINUED ON PAGE 79)

some suggested speech aids and sources. Even a discussion of "stage fright" comes up in the 46-page manual, and cartoon-type drawings are used as illustrations to help make the book's points. Gestures, appearance, timing, the use of notes and manuscripts, and visual aids are analyzed one by one in an effort to take some of the mystery out of good public speaking.

Individual speeches in the speech service as well as copies of *The Banker Speaks* are available to A.B.A. member banks from the Public Relations Council, American Bankers Association, 12 East 36 Street, New York 16, New York.

"Current Trends in Banking Costs" Booklet Revision By Two A.B.A. Commissions Is Nearing Completion

A complete revision of the booklet *Current Trends in Banking Costs*, originally published in 1949, has been made by the Country Bank Operations Commission and the Bank Management Commission of the American Bankers Association. It is anticipated that the study will be published in February or March 1956. One copy will be mailed without charge to each A.B.A. member, with additional copies available at \$1 each.

The principal objective of the study is to present a general picture of bank costs for comparative purposes.

The original booklet emphasized changes in bank costs which took place during the 1948-1949 period. The revised study will cover the

six-year period from 1949 to 1954.

Included in the study will be cost data for a representative group of small banks and 25 carefully selected larger banks, 10 of which are in the group with \$10,000,000 to \$100,000,000 in total assets; eight with \$100,000,000 to \$1-billion in total assets; and seven banks with assets in excess of \$1-billion.

The cost figures will include each of the various items considered in all types of service charge plans; those included in miscellaneous service charge plans; data for savings departments of commercial banks; safe deposit operations; special checking accounts; payroll checks, etc. One section will be devoted to earnings from the investment of demand deposit funds.

8th A.B.A. National Credit Conference Will Be Held In Chicago, Jan. 16-18

Industry, Merchandising, Finance, and Government Leaders to Speak

Key leaders in industry and merchandising will join with speakers from Government and finance to appraise the business outlook for 1956 at the eighth National Credit Conference of the American Bankers Association, which will be held at The Conrad Hilton, Chicago, Ill., January 16, 17, and 18, 1956. Plans for the conference are maturing rapidly, according to George S. Moore, chairman of the A.B.A. Credit Policy Commission, under whose auspices the conference is being held.

Mr. Moore, who is executive vice-president of The First National City Bank of New York, New York City, said that discussions will cover all categories of credit, such as agricultural credit, small business loans, instalment credit, and real estate financing, and important national and international trends which will have a bearing on business during the months ahead.

Among speakers who have already accepted invitations to address the conference are Robert E. Wilson, chairman of the board, Standard Oil Company of Indiana, Chicago, who

will speak on Tuesday afternoon, January 17; and Theodore V. Houser, chairman of the board, Sears, Roebuck and Company, Chicago, who will address the opening session on Monday, January 16.

Fred F. Florence, president of the A.B.A., and president of the Republic National Bank of Dallas, will head the list of speakers representing banking, which will include Chairman Moore; William F. Kelly, chairman, Small Business Credit Commission, A.B.A., and president, First Pennsylvania Banking and Trust Company, Philadelphia; and Roy L. Reierson, vice-president, Bankers Trust Company, N. Y. C.

A complete program for the three days will be announced shortly.

Executive Council of Institute Will Meet in Hollywood Beach

The annual midwinter meeting of the Executive Council of the American Institute of Banking will be held in the Hollywood Beach (Fla.) Hotel, January 25-27, according to Bernard J. Lunt, president of the Institute, and assistant vice-president, The Fort Worth (Tex.) National Bank.

The Executive Council, which is the governing body of the A.I.B., consists of 12 members elected from various sections of the country, the elected national officers of the Institute, and the immediate past president.

The Educational Advisory and Ad-

Joint Committee of A.B.A. and Ass'n of Reserve City Bankers to Steer PR Plan

H. J. Marshall and Allen Morgan: A.B.A., A.R.C.B. Co-chairmen

Announcement of a joint committee of the American Bankers Association and the Association of Reserve City Bankers to guide the new public relations activities being developed for the two associations by the J. Walter Thompson Company was made at A.B.A. headquarters.

Since it is a two-association project, there are two co-chairmen. Co-chairman representing the A.B.A. is Harold J. Marshall, chairman of the A.B.A. Public Relations Council, who is president of the Manufacturers National Bank, Troy, New York. Co-chairman representing the Association of Reserve City Bankers is Allen Morgan, chairman of the A.R.C.B. Public Relations Committee, and executive vice-president of The First National Bank, Memphis, Tenn.

Other Committee Members

Other committee members for the A.B.A. are Fred F. Florence, Association president, and president of the Republic National Bank of Dallas; L. L. Matthews, president, American Trust Company, South Bend, Ind.; and William R. Kuhns, director of the A.B.A. Public Relations Council, and editor of BANKING. For the Association of Reserve City Bankers, other Committee members are Frederic A. Potts, Association president, and president of the Philadelphia National Bank; Harold H. Helm, president, Chemical Corn Exchange Bank, New York; and Joseph J. Schroeder, Association secretary.

The objectives of the program, which is designed to supplement the already extensive public relations activities of the American Bankers Association and other groups, are to improve further the public understanding of banks, to encourage the public to turn to the banks as the first source of help in financial matters, and to stimulate greater appreciation of the contributions of banks to community life.

Administrative Advisory committees of the Council will meet on January 24, followed by regular business meetings of the entire Council on January 25, 26 and 27.

54 Attractive Posters in A.B.A.'s 1956 Display Kit

"Last year 75% of the banks that replied to the A.B.A. survey of commercial bank advertising said they used window and lobby displays," G. Edwin Heming, manager of the Association's Advertising Department, said in a letter to banks calling attention to the Department's 1956 display posters.

Mr. Heming mentioned three advantages accruing from the use of window and lobby displays, as follows:

(1) The space in bank windows and lobbies is free; (2) it is point-of-sale advertising space—the spot where people can readily respond to your sales message by taking immediate action; and (3) posters are inexpensive.

5 Poster Series

The A.B.A.'s 1956 display offering includes 54 attractive posters. These include (1) a set of 12 new commercial posters covering such services as checking accounts, safe deposit, several kinds of instalment loans, mortgage loans, and banking by mail; (2) 12 special credit posters featuring auto, home improvement, appliance, personal, "stork," life insurance, mortgage and general loans; (3) 12 trust posters which present the advantages of using bank trust services; (4) 12 savings posters emphasizing regular savings at the bank; and (5) 6 special holiday posters featuring Washington's Birthday, Easter, Independence Day, Labor Day, Thanksgiving Day, and Christmas.

Three new direct mail folders were included in the same mailing; namely, "What to Do When Your Budget Won't Budge"; "One Burglary Could Cost . . ."; and "How to Finance Your 1956 Car."

The Department's popular Savings Bonds envelope was reoffered last month. A choice is given of four sales messages featuring (1) safe deposit, (2) personal loans, (3) savings, or (4) checking accounts. On the other hand, if a bank wishes to supply its own sales message, it is privileged to do so. Since the A.B.A. first offered its War Bonds envelope in the early 1940s, over 17,000,000 copies of the original envelope and its successor—the Savings Bonds envelope—have been distributed by banks to customers.



German and French Bankers Visit A.B.A.

Two groups of foreign bankers—German and French—called at the A.B.A. headquarters in New York on the same day. After spending several hours consulting with Association department heads, the delegations set out to learn first hand from a number of banks around the country more about how the U. S. private chartered banking system serves the needs of the nation.

The German conference, *above*. Clockwise around the table, *seated*: Ted von Zastrow, tour escort; Dr. Robert Platow, economist and publisher, Hamburg; Louis J. Asterita, A.B.A. deputy manager; Hans-Joachim von Hertzberg, Absatzkreditbank Graf von Berckheim & Co., KG., Mannheim; Edward Craviola, A.B.A. Consumer Credit Commission; and Count Von Arnim, Muenchener Finanz-Gesellschaft Knote and Company, GmbH., Munich. *Standing*, Hans Moebius, Daimler-Benz AG., Stuttgart-Untertuerkheim (auto manufacturer); and Hermann Fromm, Bettfedernfabrik, Oldenburg (bedding manufacturer).

The French conference, *below*, included C. P. Chevrier, Banque Nationale pour le Commerce et l'Industrie, Paris, *leader*; P. J. Giffard, Credit de l'Ouest, Angers; H. A. Guillaume, Credit National, Paris; Y. L. Thomazeau, Comptoir National d'Escompte de Paris; R. B. Bacque, Societe Generale, Paris; G. A. de Feuilhade de Chauvin, Credit Lyonnais, Paris; J. E. Devize, Ministere des Finances et des Affaires Economiques, Commissariat General a la Productivite; P. L. Laval, Ministere des Finances, Paris; J. F. de Lamothe Dreuzy, L'Union Europeenne Industrielle et Financiere, Paris; A. Spinga, Banque de Paris et des Pays-Bas; R. C. Fourcy, Chambre Syndicale des Banques Populaires, Paris; F. B. Mialaret, Banque Mobilier Privee, Paris; M. J. Hirigoyen, Bank of France, Paris; A. F. Curtis, Credit du Nord, Lille; and L. H. Hartog, Credit Commercial de France, Paris; A. Toumayan, interpreter; Henri Calas, B.N.C.I.; A. P. Monteil, Ministere des Finances, Paris; and N. E. Philpot, International Cooperation Administration, Washington.

Standing in background, left to right, Mr. Calas, Mr. Monteil, Mr. Philpot, Dr. E. Sherman Adams, A.B.A. deputy manager; Walter B. French, A.B.A. deputy manager; and J. P. Dreibelbis, vice-president, Bankers Trust Co., New York



PHOTOS BY ROBERT COOPE

"Our American System of Capitalism" Will Be A.I.B. Speaking Contest Theme

Contestants to Vie for Giannini Educational Endowment Prizes

"Our American System of Capitalism" will be the general theme for public speaking contests to be held within the American Institute of Banking from March through May 1956, it was announced recently by John W. Harris of the Central-Penn National Bank, Philadelphia, who is chairman of the A.I.B.'s National Public Speaking Committee.

The speaking program will culminate the first week in June with the 30th annual National Public Speaking Contest for the A. P. Giannini Educational Endowment prizes in Dallas, Tex. The contest will be held in Dallas as part of the A.I.B.'s annual convention, June 4-8.

The speaking program to choose the participants for the contest in Dallas will have three stages, each of which will use a specific phase of the general theme for subject matter. The specific topic for contests within individual chapters will be announced on or about February 1, with the specific topic for the district contests announced on or about April 1. The semifinal eliminations, which will be held in Dallas on the Sunday prior to the opening of the convention, will use the same subject as the final contest. This subject will be announced by May 10.

12 Geographic Districts

For purposes of the contest, the country has been divided into 12 geographical districts. Each A.I.B. chapter will be entitled to send one contestant to its respective district contest. The winners in each district contest will then compete in one of the two semifinals, with the six people who place first, second, and third in these semifinal contests becoming the contestants in the final contest.

The participants in the final contest will compete for prizes of \$500 for first place, \$300 for second place, and \$100 for third place. The expenses of the contestants in the semifinals, as well as the prizes in the final contest, are supplied by the A. P. Giannini Educational Endowment and the Bank of America N.T.

National Debate Program Subject Is Announced by A.I.B. Debate Committee

Federal Aid to Enable High Grads to Enter College Will Be Theme

"Resolved, That the Federal Government should guarantee higher education to qualified high school graduates through grants to colleges and universities" will be the subject used for the 1956 national debate program of the American Institute of Banking. The subject was announced by Dorothy R. Anderson of The United States National Bank of Portland, Ore., who is chairman of the Institute's National Debate Committee.

The A.I.B.'s annual debate program will get under way within the next few weeks as individual chapters throughout the country begin holding qualifying debates. These qualifying debates are the first step in choosing the two teams which will compete in the National Debate Contest for the Jesse H. Jones National Convention Debate Fund prizes, to be held in Dallas next June 5 as part of the Institute's annual convention.

4 Geographic Districts

For purposes of the contest, the country has been divided into four geographical districts. The debates between chapters, which will be completed by March 31, will decide the chapter to represent each district in the semifinal contests. Each member of the winning district teams will receive \$100 in personal expenses plus transportation to and from Dallas, where the semifinals will be held Sunday preceding the opening of the convention. The winning teams in the semifinals will then compete on Tuesday for the Jones prizes of \$300 for the winning team and \$200 for the losing team.

The contest in Dallas will be the

& S.A. Mr. Giannini was founder of the Bank of America.

In addition, the chapter of which the first-place winner is a member will be awarded the A. P. Giannini Memorial Trophy—a gift of the late L. M. Giannini, who during his lifetime was president and chairman of the general executive committee of the Bank of America.

G.S.B.'s 20th Reunion

(CONTINUED FROM PAGE 76)

Graduate School differs from most educational institutions in several important aspects. Among these is the fact that it is a school of graduate study for senior bankers. Thus the students, who are in most cases active in the affairs of the A.B.A., in a sense control the Graduate School through their participation in the Association. Even more important, they are in a position to evaluate the work of the G.S.B. in their day-to-day activities as bank executives.

"During our Anniversary Reunion, the afternoon will be devoted to four seminars in which alumni, students, and faculty members interested in the fields of commercial banking, savings, trusts, or investments will discuss the work of the School and make suggestions for improvements or expansion in the various curricula. Similarly, at the evening banquet, the speakers will be representatives of the Graduate School; and it is expected that there will be some recognition given to the changing requirements for a well rounded banking education.

"The Graduate School of Banking is fortunate in having assurance that Dr. Stonier, who has guided it through its first two decades, will continue to guide and direct it in the years ahead."

eighth to make use of the Jesse H. Jones Fund. The Fund was established in 1948 by Jesse H. Jones, chairman of the board of the National Bank of Commerce, Houston, and former U. S. Secretary of Commerce, to encourage debating as a part of the A.I.B.'s educational program as a means of training bank people in logical thinking, sound analysis, and the ability to convince others. Earlier this year, the Jones Fund was continued for another five years.

Agricultural Conference

The fourth annual National Agricultural Conference of the A.B.A., to be held in the Morrison Hotel, Chicago, Dec. 1-3, will be reported in January BANKING.

Public Relations Is an Integral Part of Bank Management, Says Florence

Banks Must Be Prepared to Meet Challenge of Growing U. S. Economy

The art of public relations has grown steadily in both application and acceptance during the past quarter-century, Fred F. Florence, president of the American Bankers Association said in an address before the 40th annual convention of the Financial Public Relations Association last month.

"We now realize that it cannot be isolated, that it is not a separate and distinct function within our banks," Mr. Florence added. "Public relations is today recognized as an integral part of management that is interwoven very strongly into all of our efforts."

Continuing his discussion of "Bank Public Relations in a Growing Economy," Mr. Florence emphasized that "public relations has come of age," stating that "this maturity will be of little benefit if we do not devote our best thinking to the problems of maintaining and enhancing the position of banking in the swift tide of our economic growth."

Referring to the estimated population growth within a few years, Mr. Florence said that our larger population will also be wealthier.

Prepare for Challenge

"Banking cannot stand still in the midst of such startling changes," said Mr. Florence. "The challenge of the future is real and stimulating and it offers a generous reward for resourcefulness and energy. All banking must be prepared to meet these challenges, but opportunities for aggressive and productive public relations will be especially evident. We must make certain that the growing population is fully aware of the many services of banks, and that the people understand the contribution of banking in a free enterprise economy. . . ."

Mr. Florence warned that two elementary facts must be kept in mind—first that "we are dealing with people" and second that "we are promoting the use of banking service. These two factors—an understanding of people and a knowl-

New Lloyd's Banks, Trust Companies Policy (HANC-1955) Negotiated by A.B.A. Insurance and Protective Committee

Negotiations which were initiated last February between the Insurance and Protective Committee of the American Bankers Association and Underwriters at London Lloyd's have been consummated with a new Lloyd's Banks and Trust Companies Policy designated HANC (1955) which will be available to banks after December 1, according to Thomas F. Glavey, chairman of the A.B.A. Committee.

Mr. Glavey, who is assistant vice-president of The Chase Manhattan Bank, New York City, says that this policy, like Bankers Blanket Bond Standard Form No. 24 of the domestic surety companies, has been approved by the Association's Committee, and existing Lloyd's policies on the HAN(C) 1946 Form or previous forms may be endorsed to sub-

stitute the 1955 form for coverage. The new policy embodies all of the improvements given effect since 1946 in the HAN(C) Form and in Form 24 of the domestic surety companies and makes unnecessary various riders used to include these extensions of coverage in the 1946 policy.

The HANC (1955) Form is further broadened (1) to eliminate the exclusion of loss or damage resulting from windstorm, tornado, or cyclone; (2) to cover counterfeited currencies or coin of the Dominion of Canada, as well as those of the United States of America; and (3) to specifically cover statutory theft, as well as statutory larceny.

See the November 1955 issue of the *Protective Bulletin* for further details.

Institute's 54th Annual Convention Committee Chairmen Announced by Lunt

P. B. Garrett, Texas Bank & Trust, Will Be General Chairman

The chairmen of the committees for the 54th Annual Convention of the American Institute of Banking, to be held in Dallas, Tex., June 4-8, 1956, were announced by Bernard J. Lunt, president of the A.I.B. Mr. Lunt is assistant vice-president of The Fort Worth National Bank, Fort Worth, Texas.

P. B. Garrett, president, Texas Bank & Trust Company, will be general chairman for the convention; and the general vice-chairmen will be Comer S. Bishop, president, Wynnewood State Bank; C. Glenn Cole, vice-president and cashier, Mercantile National Bank; and Herman Kilman, assistant cashier, Federal Reserve Bank of Dallas. Paul Armstrong of the Mercantile Na-

tional Bank will be treasurer and chairman of the Finance Committee for the convention, and Ruth Field of the Republic National Bank will be convention secretary.

The presidents of six Dallas banks will form an Advisory Committee for the convention. They are J. B. Adoue, Jr., National Bank of Commerce; Milton F. Brown, Mercantile National Bank; Fred F. Florence, Republic National Bank; Dr. W. H. Irons, Federal Reserve Bank of Dallas; Michaux Nash, Empire State Bank; and Ben H. Wooten, First National Bank of Dallas.

Other committee chairmen:

Debate: Rasco Story, Federal Reserve Bank; **Entertainment:** Frank V. Wolfe, Mercantile National Bank; **Halls & Meeting Places:** Norval W. Payne, Republic National Bank; **Hospitality:** Warren A. Gilbert, Jr., Greenville Avenue State Bank; **Hotels:** Ed Enslen, Grand Avenue State Bank; **Information:** Jim Barbosa, First National Bank of Dallas; **Personnel:** Price Smith, Republic National Bank; **Public Speaking:** Nell O'Connell, Hillcrest State Bank; **Publicity:** Clifton Blackmon, First National Bank; **Registration:** Oscar Lindemann, Texas Bank & Trust Company; **Transportation:** Leo Howell, Federal Reserve Bank of Dallas; **Utility:** John H. Warner, Republic National Bank; and **Women's:** Althea Humphreys, Texas Bank & Trust Company.

edge of banking—are indeed indispensable to successful public relations, but these factors are not alone sufficient. The third requirement is sometimes difficult to define. This factor is expressed in the attitudes and actions of all members of the banking family—employees, officers, and stockholders."

News for Instalment Credit Men

Items and Comment from Our Instalment Credit Commission and Other Sources

Changes Exam Procedure

GEORGE A. MOONEY, New York's Superintendent of Banks, reports that a 3-year study has culminated in new examining procedures. The department's examiners now use a uniform method of computing reserve requirements for consumer paper—specific reserve for serious arrears; and a volume reserve for all other paper exclusive of FHA and VA. Items in arrears 90 days or more, where there's been no payment in 120 days, are subject to a 100% reserve; all other items in arrears 90 days or more, are margined by a reserve of 50%. In addition, an over-all volume reserve of 2% of outstanding covers less serious arrears and contingencies.

Bank Totals Its Monthly Payment Business Loans

FIRST NATIONAL CITY BANK of New York started its monthly payment business loans in 1935. It has made 140,000 such loans since that time for a total of \$258,000,000. In this total are included 68,000 GI business loans made since 1945 under the GI Bill of Rights, for a total of \$143,000,000.

The maximum amount for a monthly payment business loan is now \$25,000, with terms up to 60 months. It isn't necessary to be a depositor of the bank.

The bank says that 75% of these loans are in amounts under \$2,500; 22% are between \$2,500 and \$7,500; and 3% are in amounts between \$7,500 and \$25,000. The record of these loans by terms shows that 23% are for 12 months; 17% for 18 months; 14% for 36 months; with only a fraction of 1% extending beyond 36 months.

The basic requirements for borrowing are: (1) Evidence of successful past operation; (2) where the business is a new venture, experience in the line, plus the investment of own funds; (3) signatures of the principals may suffice, or a lien on equipment or other available collateral may provide needed credit



First National City Bank of New York set up this booth at the National Business Show in New York and staffed it with personal credit specialists to explain its monthly payment business loan service. This is the first time a bank has been an exhibitor at the show since it started in 1904.

Standing, left to right, J. Andrew Painter, vice-president in charge of the bank's personal credit department; Deputy Managers Walter French and Carroll Gunderson of the A.B.A. Small Business Credit Commission; John D. Hashagen, assistant vice-president of the bank. At the desks, personal credit department representatives who manned the booth are interviewed by bank officials.

support; (4) occasionally, co-makers with sufficient interest in the enterprise to sign will make the loan possible.

Typical loan purposes are: Purchase, install, or repair business fixtures, machinery, and other equipment; purchase professional equipment (medical, dental, electronic); for working capital for current bills (payrolls, cash discounts, inventory); buy into, expand, or diversify an existing business; establish a new business; purchase trucks, etc.

"No Cause for Alarm"

"**T**HHERE is no cause for immediate alarm about consumer debt," editorializes the *Washington Report*, weekly publication of the Chamber of Commerce of the United States.

Two factors support this view, says the editorial:

"(1) The rate of repayment on almost all kinds of consumer debt still is almost as high as the rate of lending. Thus loans repaid nearly equal new loans extended.

"(2) The ratio of consumer credit to personal disposable income does not, at present, seem to be too much out of line.

"On balance, the credit situation comes to this: As long as personal income holds up, consumers can carry the debt. And there seems to be nothing in the economy to indicate any drop in personal income.

"A possible soft spot in the picture is instalment credit. A major item in this field is auto instalment credit. Currently, Americans owe an estimated \$13.5-billion on their cars—a significant increase over the total of \$10-billion last year.

"This increase of course, is due to the all-time high in auto purchases, promoted by attractive design, cuts in profits per car, and easy credit terms.

"Another important sector of the credit picture is personal loans which have increased from \$4.7-billion last year to \$5.2-billion as of August 1955.

"Both of these increases in consumer debt can be looked upon in part as a reflection of the general confidence in business.

"Further, debt delinquency is near a record low.

"There is, however, a growing tendency among lending institutions to tighten up, take a second look at credit risks, although the results

have not yet shown up in the statistics. This may be viewed as a healthy trend and has been commended more than once in recent months by the National Chamber."

Credit-by-Check System Is Set Up in "Smaller" Bank

ESTABLISHMENT of a new personal finance plan at the St. Joseph Valley Bank, Elkhart, Ind., has been announced by Lewis S. Armstrong, president. Called Line-O-Credit, it's

a plan combining checking account and personal loan features.

Mr. Armstrong notes that similar plans have been initiated in recent months, but almost exclusively in larger banks. He contends that the plan is applicable to banks of every size in all localities.

The plan follows the theory of allowing individuals to have their own personal line of credit, with checks secured by a combination application-note form. This form allows the bank to set up the checks as loans when they are returned to

the bank. The basis of the Line-O-Credit plan is a monthly charge of 75¢ per \$100, figured on the maximum outstanding balance for the month, plus a service fee of 25¢ for each check written. Credit life insurance protection is included in the monthly charge on all accounts.

At the St. Joseph Valley Bank, the Line-O-Credit plan was set up to operate basically through the installment loan department, but is so planned as to allow any bank officer to conduct interviews and accept applications.

News for Trustmen

Items and Comment from Our Trust Division and Other Sources

Bliss Succeeds Treman

CHARLES M. BLISS, vice-president of The Bank of New York, New York City, was elected chairman of the trust division of the New York State Bankers Association to succeed Charles E. Treman, Jr., vice-president and trust officer, Tompkins County Trust Company, Ithaca. Both are vice-presidents of the Bank Fiduciary Fund of New York.

The election took place at the 9th annual trust conference at Albany in late October.

Herbert A. Jones, vice-president or the National Commercial Bank & Trust Company of Albany, was elected vice-chairman. Elected to the division's executive committee for the ensuing year are: Joseph V. Sauter, vice-president, Bankers Trust Company, New York City; Burton Hulbert, president, Wilber National Bank of Oneonta; and William M. Connors, trust officer, Manufacturers National Bank of Troy.

Starts Common Trust Fund

VALLEY NATIONAL BANK, Phoenix, has established a common trust fund, the first in Arizona. Walter R. Bimson, board chairman, explains that "under the terms of this fund, a small trust now becomes just as practical as a large one; yet the separate identity, provisions, and purpose of each participating trust are retained."

A committee of 12 senior trust and investment officers will manage the



C. N. Bliss



H. A. Jones

fund. Lynn Lloyd is senior vice-president in charge of the trust department.

Publishes Proceedings

IRVING TRUST COMPANY, New York, has published—"like our regular monthly publication, the *Irving Lawyers' Letter*, for the convenience of attorneys especially interested in probate and trust law"—the *Proceedings of Probate and Trust Law Divisions, 78th Annual Meeting, American Bar Association*.

200 at PBA Trust School

MORE than 200 Pennsylvania bankers participated in the recent two-day short course of the Pennsylvania Bankers Association Trust School at the Hotel Brunswick in Lancaster. The purpose of the school was to present the latest techniques and developments in the trust business "so that Pennsylvania trust institutions can maintain modern services for their customers."

Robert A. Bodine, trust officer of Liberty Real Estate Trust Co., Philadelphia, was in charge of the pro-

gram. He's chairman of the PBA trust development committee.

A meeting of the trust division's executive committee was held prior to the school's opening. Presiding was Richard H. Starr, division chairman and executive vice-president and trust officer of the First National Bank in Sharon.

Speakers at the opening session included Dr. A. C. Van Dusen, vice-president, Northwestern University, Evanston, Ill., and John F. Donlon, executive vice-president, Edwin Bird Wilson, Inc., New York.

The second day's session included four addresses, three by advertising agency executives: Earl R. Hudson, president of Kennedy Sinclair, Inc., New York; Merrill Anderson, president, The Merrill Anderson Co., Inc., New York; and L. Morley Alexander, vice-president, The Purse Company, Birmingham, Ala. Norman E. Waltz, trust officer of Provident Trust Company, Philadelphia, was also on the faculty for the day.

Stress Benefit, Not Method, in Ads for Trust Service

KENNEDY SINCLAIRE, INC., New York, received almost 400 queries from business owners and persons of wealth as a result of a nationwide advertising campaign. A description of the campaign and a summary of its accomplishments are set forth in a booklet just released by Kennedy Sinclair, "We Invested in Your Trust Department."

Early in 1955 the company approved a special advertising budget with these purposes in mind: (1) To sell the benefits of trust service to more individuals of wealth; (2) encourage these individuals to call upon their deposit bank's trust officer; (3) to determine whether the appeals that were effective in selling trust service by direct mail could be used just as effectively in newspaper ads on a nationwide basis.

Each ad offered a booklet selling at \$1. In all, 13 adds were run.

The company says that "the fact that 1,940 booklets were bought

would indicate that people will read advertising copy, no matter what its length, if it sells a benefit and explains the advantages of that benefit in terms that make the service understandable and desirable."

Each booklet was sent out by first class mail. An accompanying letter urged the purchaser to visit the trust officer of his bank. Ten days later, a questionnaire was sent to each purchaser. To date, 359 have been returned; 109 said they had "talked with the trust officer at my bank" and 133 said they would "talk to him later."

Kennedy Sinclaire found out from this project that many banks are not using appeals in their trust advertising that truly motivate the trust prospect. Much response came from cities and towns in which banks have conducted a trust advertising campaign for years. "It would appear, therefore, that the appeals used in those various programs were not directed toward basic human emotions. Possibly too much emphasis, in trust advertising, is put on describing how trust service is rendered rather than the good that trust services accomplish."

News on Savings

Items and Comment from Our Savings and Mortgage Division and Other Sources

Program of Regional Savings and Mortgage Conference, Kansas City, Mo.

EMPHASIS will be placed on promotional programs to help banks retain their leadership in the savings and mortgage field, at the Regional Savings and Mortgage Conference of the Savings and Mortgage Division of the American Bankers Association, which will be held in the Muehlebach Hotel, Kansas City, Mo., January 30 and 31, 1956. The conference will bring together representatives of 400 Midwest banks, according to Earle A. Welch, president of the A.B.A. Division, and treasurer, Meredith Village (N. H.) Savings Bank.

Banks from the 14 midwestern states of Arkansas, Illinois, Indiana, Iowa, Kansas, Kentucky, Minnesota, Missouri, Nebraska, Oklahoma, South Dakota, Tennessee, Texas, and Wisconsin, will be represented in the conference territory; and hosts at the meeting will be the banks of the Kansas City Clearing House Association.

Among features of the two-day meeting will be a farm mortgage luncheon on Monday, January 30, which will be addressed by Dr. George Montgomery, head of the department of agricultural economics at Kansas State College, Manhattan. Dr. Montgomery is also a consultant to the Chicago Board of Trade. On Monday night, there will be a banquet at which Fred F. Florence, president of the A.B.A., and president of the Republic National



F. F. Florence



E. A. Welch

Bank of Dallas, Texas, will speak on "Banking Leadership."

On Tuesday, January 31, at a luncheon, the visiting bankers will hear John F. Austin, Jr., president of the T. J. Bettes Company of Houston, Texas, one of the country's largest firms of mortgage bankers. At the final session on Tuesday afternoon, a panel, "A Mortgage Committee in Action," will discuss current problems in connection with bank mortgage lending operations.

David T. Beals, chairman of the board, First National Bank, Kansas City, Missouri, will be general chairman of the conference.

The advance program for the two days follows:

First Session

Monday, January 30, 1956

Grand Ballroom

9-10 A.M.—Get-together Hour

10 A.M.

Presiding, David T. Beals, general conference chairman, chairman

of the board, First National Bank, Kansas City.

"The Savings and Mortgage Picture" by Earle A. Welch, president, Savings and Mortgage Division, American Bankers Association; treasurer, Meredith Village (N. H.) Savings Bank.

"Rates of Interest on Savings" by J. R. Dunkerley, deputy manager in charge of Savings and Mortgage Division, A.B.A., New York.

"How to Sell Savings" by Daniel W. Hogan, Jr., vice-president, Savings and Mortgage Division, A.B.A.; president, City National Bank and Trust Company, Oklahoma City.

Open forum.

Farm Mortgage Luncheon

Grand Ballroom, 12 Noon

Presiding, R. A. Evans, president, Missouri Bankers Association; president, Central National Bank, Carthage, Mo.

Address by Dr. George Montgomery, head, Department of Agricultural Economics, Kansas State College, Manhattan; consultant, Chicago Board of Trade.

Second Session

Monday, January 30, 1956, 2 P.M.

Grand Ballroom

Presiding, President Welch.

"Taxation and Its Effect on Com-

petition for Savings" by Gaylord A. Freeman, Jr., member, Committee on Federal Legislation, Savings and Mortgage Division, A.B.A.; vice-president, The First National Bank of Chicago, Ill.

"Savings and Loan Competition—How to Meet It" by F. A. Amundson, member, Committee on Federal Legislation, Savings and Mortgage Division, A.B.A.; vice-president, Midway National Bank, St. Paul.

Open forum.

Reception

Colonial Ballroom, 5:30 P.M.

Courtesy of banks of the Kansas City Clearing House.

Banquet

Grand Ballroom, 7 P.M.

Presiding, Mr. Beals.

"Banking Leadership" by Fred F. Florence, president, American Bankers Association; president, Republic National Bank of Dallas, Tex.

Third Session

Tuesday, January 31, 1956, 10 A.M.

Grand Ballroom

Presiding, Vice-president Hogan.

"Building Savings" by John B. Mack, Jr., John B. Mack, Inc., New York.

"Investment of Savings Funds" by Robert W. Storer, vice-president, Manufacturers National Bank of Detroit, Mich.

"How Much Longer the Construction Boom?" by George Cline Smith, assistant vice-president and economist, F. W. Dodge Corporation, New York.

Open forum.

Insured Mortgage Luncheon

Grand Ballroom, 12 Noon

Presiding, Maurice R. Young, president, Kansas Bankers Association; president, First National Bank in Dodge City, Kans.

Address by John F. Austin, Jr., president, T. J. Bettes Company, Houston.

Fourth Session

Grand Ballroom, 2 P.M.

Presiding, President Welch.

"A Mortgage Committee in Action"—panel discussion, led by Joseph R. Jones, chairman, Committee on Real Estate Mortgages, Savings and Mortgage Division, A.B.A.; vice-



G. A. Freeman, Jr.



D. W. Hogan, Jr.

president, Security - First National Bank of Los Angeles, Calif.

Panel members: T. P. Axton, president, Lafayette (Ind.) Savings Bank; Thomas L. Nims, secretary, Savings and Mortgage Division, American Bankers Association, New York; Donald O'Toole, executive vice-president, Pullman Trust & Savings Bank, Chicago; and John M. Pickens, member, Committee on GI Mortgages, Savings and Mortgage Division, A.B.A.; vice-president, Union Planters National Bank, Memphis, Tenn.

New A.B.A. Savings Ad Aids

Six brand new advertising aids to help banks meet savings and loan competition have been prepared by the Advertising Department of the American Bankers Association in cooperation with the Savings and Mortgage Development Committee of the Savings and Mortgage Division. Using an appealing family unit to illustrate the material, the advertising aids copy is pitched to the familiar statement: "To us, saving money means BANKING it!"

The new kit includes a newspaper

advertisement in three sizes—two, three, and five columns. The copy emphasizes safety and convenience of the bank; advantages of having cash in the bank for emergencies and opportunities, and the earnings aspects of savings.

Also included in the kit are a 6" x 9" lobby and window display card, a direct mail folder, a blotter, a radio commercial in both 1-minute and ½-minute versions, and a television commercial with complete stage directions for live presentation by local station announcers.

"It's an old axiom of good advertising that the more times your message is seen, read, and heard (everywhere and every day) by each prospective depositor, the deeper the impression on his mind and consciousness—and the sooner you are likely to be entering his name on your SAVINGS ledger," Daniel W. Hogan, Jr., chairman of the Savings and Mortgage Development Committee, said in a letter to banks introducing this new savings kit.

Continuing, he said: "That's why we wholeheartedly recommend that you order as much of the enclosed material as you can use locally."

School Savings Roundup

Nassau County, N. Y.

"TEACHING school age youngsters to save is something no modern day banker can, or will, overlook," Don G. Weller, chairman of the Nassau County Clearing House Association's Committee on Public Relations and Advertising, stated recently.

"It is the way to help youngsters help themselves get ahead in the world and also to maintain a sound economy both at the local and national level. At Meadow Brook, the bank I represent, we have 12,500 students at 16 schools enrolled in our school savings program and we are adding more all the time."

Trenton, N. J.

A REPORTED 28,000 students, whose deposits aggregate \$1,309,437.45, are now participating in the school savings banking program of the Trenton (N. J.) Savings Fund Society. The Society's program was inaugurated in 1947 and now covers 59 schools, including the public school systems of Trenton, Hamilton, Ewing, and Lawrence Township, and seven parochial schools. A regular

Savings Growth in Banks

Time and Savings Deposit Balances

(in millions)

Dec. 31	Commercial Banks	Mutual Savings Banks
1940 (a).....	\$15,258	\$10,523
1945.....	30,135	15,385
1950.....	36,314	20,009
1951.....	37,859	20,887
1952.....	40,666	22,586
1953.....	43,050	24,358
1954.....	46,844	26,302
1955 (b).....	48,000	27,500

(a) January 1, 1940. (b) August 31, 1955.
Source: Federal Reserve Bulletin.

The trend in savings continues to be strongly upward. Time and savings deposits in banks have nearly tripled in volume during the 15-year period, 1940-1955.

bank day is observed in each school every week.

Nevada

THERE has been a great increase in the number of school students participating in the School Savings program sponsored by the First National Bank of Nevada in cooperation with the school systems throughout the state.

Last year (1953-1954) 14,500 students saved a total of \$408,000 under the First National Bank program. This year (1954-1955) the

number has increased to 20,975 students, who have saved a total of \$570,829, or an advance of 6,475 participating students and \$162,829 saved over the previous year.

Nevada's estimated total population is only 180,000.

Connecticut

"If any of you do not go in for school savings banking in territories where it is needed, I do want to point out that the best advertising you could possibly obtain would accrue to you when a generation of

children take home to their families a fierce loyalty to *their bank*," Connecticut Bank Commissioner Henry H. Pierce, Jr., said in a talk before the annual convention of the Savings Banks' Association of Connecticut.

Continuing, Mr. Pierce said that "a great majority of the savings banks in our state that are providing school savings have found that the goodwill created by it is well worth the trouble and lack of immediate profit involved. In addition to goodwill, you are creating new customers for the future, and the all important habit of thrift."

News for Mortgage Credit Men

Items and Comment from Our Savings and Mortgage Division and Other Sources

Construction Loans Under Sec. 24 Fed. Reserve Act

THE position of the office of the Comptroller of the Currency with respect to amortization requirements on construction loans made by national banks under Section 24 of the Federal Reserve Act, as amended by the act of August 11, 1955, was outlined in a letter to the A.B.A.'s Washington office. The letter states in part:

"It is our position that advances may be made under the loan as improvements are erected, provided the construction work has commenced at the time the first advance is made and the loan complies in all other respects with the provisions of Section 24. In those cases the total amount of advances with respect to any particular loan must not at any time exceed 50% in the case of nonamortized loans, or 66-2/3% in the case of amortized loans, of the value of the improvements already made and the land thus improved. . . .

"We recognize that in the case of a construction loan where the entire loan proceeds are not disbursed to the borrower prior to the commencement of construction, but instead disbursements of the loan are made gradually over a period of time as construction progresses, which in some instances takes as long as a year, that any requirement for customary instalment payments on the

total loan during the construction period would be unrealistic. Thus, where the proceeds of the loan are disbursed to the borrower gradually over a period of time, and for this reason no payments on the loan are made during the construction period, it is our opinion that the requirements of Section 24 of the Federal Reserve Act will be met if regular amortization payments commence at the end of the construction period, usually from three to nine months after inception of the loan, but in no event longer than one year, and such payments are made in substantially equal amounts at regular, frequent intervals and are of

sufficient aggregate amount so that the loan will be reduced before maturity in the case of the 10-year loans at the average rate of 4% of principal per annum, and in the case of loans of more than 10 years and up to 20 years the amortization payments will average 5% per annum during the life of the loan. . . ."

Flood Insurance Protection

CONGRESS is considering the possibility of establishing Government sponsored flood and disaster insurance protection on a nation-wide basis. Senator Lehman (New York) will introduce a bill providing \$10-

Over 200 New Jersey bankers attended an all-day mortgage lending conference sponsored by the New Jersey Bankers Association. Experts in the mortgage lending field discussed present-day problems and developments in bank lending procedures. Paul R. Mills, chairman of the NJBA's Mortgage Committee and vice-president, Camden Trust Co., presided. Seated in foreground in this audience picture are James F. Vergari, vice-president and general counsel, Federal Reserve Bank of Philadelphia, and NJBA President Wm. J. Kinnaman, executive vice-president, Hunterdon County National Bank, Flemington



billion in protective features, including damage from causes of armed conflict. The Administration is readying a bill which is expected to provide \$1-billion for flood damage purposes if private concerns will underwrite an equal amount.

Hearings, under the chairmanship of Senator Lehman, on behalf of the Senate Banking and Currency Committee, are being held in New York and in several of the areas in New England, hard hit by floods in August and October of this year.

Mortgage Discount Prices

Representative Wright Patman has made charges of "shocking scandal" because of prevailing discounts of 5% or more which now prevail in some areas on purchases from builders of VA and FHA home mortgages. He attributed discounts to tightening of credit as part of the Federal Reserve credit control policy. Representative Patman urged immediate remedial action.

Mtge. Warehousing Loans

The Banking Department of the State of New York will give greater scrutiny to mortgage warehousing arrangements of New York banks. In a statement cautioning that the Department does not necessarily feel that mortgage warehousing loans are unsound, Superintendent of Banks George A. Mooney pointed out that while mortgage warehousing takes on many forms, credits secured by mortgages temporarily placed with commercial banks are subject to the same tests of soundness that are applied to all other types of business loans.

Construction to Reach Peak

Construction in 1956 will reach a record \$44-billion. This prediction is made by the Commerce and Labor Departments of the U. S. Government. If this volume is reached it will be 5% above the anticipated \$42-billion in construction in 1955 and 17% above the \$37.6-billion recorded in 1954.

The prediction for record levels of construction next year take into account the prospect for 100,000 fewer homes being built, which is offset in the total estimated capital outlays for new construction by the

Insured and Guaranteed Mortgage Loans Held by Banks on Nonfarm Residential Property (in millions)

Commercial Banks

	FHA	VA	Convent'l	Total
1951....	\$3,421	\$2,921	\$4,929	\$13,728
1952....	3,675	3,012	5,501	14,809
1953....	3,912	3,061	5,951	15,768
1954....	4,106	3,350	6,695	17,415
1955(a)...	4,361	3,601	7,166	15,128

Mutual Savings Banks

	FHA	VA	Convent'l	Total
1951....	\$2,567	\$1,726	\$4,303	\$9,869
1952....	3,168	2,237	4,477	11,327
1953....	3,489	3,053	4,792	12,890
1954....	3,800	4,262	5,149	14,951
1955(a)...	4,000	4,976	5,382	16,114

(a) At June 30th.
Source: Federal Reserve Bulletin.

fact that larger and more expensively equipped homes are expected to be built, and greater outlays for additions, alterations, and repairs will be made.

FNMA Halts Mortgage Sales

In an obvious attempt to bolster mortgage credit, the Federal National Mortgage Association announced early in November that it would withdraw temporarily from offering its portfolio of mortgages for sale to private investors. These mortgages are held by FNMA as part of its "management and liquidation" responsibility, and this action was taken to prevent an over abundance of mortgage offerings in an already slow market.

Fanny May holds a portfolio of approximately \$2.5-billion mortgages. It has been offering them for investor purchase at prices of 96

for 4% mortgages; 97 1/4 for 4 1/4% mortgages; and 100 for 4 1/2% mortgages.

Home Improvement Market

The potential market for home repair and improvements for 1956 are estimated to be at least \$8-billion, possibly \$10-billion, by Cyrus B. Sweet, in charge of the FHA Title I program.

He stated that to date a total of 18,000,000 FHA Title I insured loans have been made for a total of \$8.5-billion, for home repairs and improvements. Insurance losses since the start of the program have amounted to less than 1%.

FHA Loans on Trailer Parks

FHA has set up a program of minimum loan requirements to finance trailer parks. It has announced rules and regulations governing this program and minimum requirements for mobile home sites have been placed in effect.

The insurance by FHA covers mortgages on new projects with a minimum of 50 trailer sites per park. Open areas to assure privacy, side yard, and clothes drying facilities are required for each site. Other standards affect improvements to the land, and electrical, water, and sanitary facilities required to create attractive living quarters in mobile homes.

At least 80% of the individual sites in each park must be 3,000 square feet in area; the remainder 2,400 square feet. Mortgages are limited to \$300,000 per mortgage, \$1,000 per trailer space, and 60% of the estimated property value after completion of improvements. Maturity of mortgage may be up to 10 years with top prescribed rate of 4 1/2%.

New Housing Starts

COMPARISON of the 1954 and 1955 new permanent nonfarm dwelling unit starts:

	1954	1955
Totals for		
first nine		
months ..	912,800	1,034,000
October..	110,700	107,000

The 1955 seasonally adjusted annual rate for private starts at the end of October is estimated at 1,242,000 by the Commissioner of Labor Statistics.

Administration Wants House Starts Volume Maintained

To relieve expressed fears of the building industry, HHFA Administrator Cole stated at a recent news conference in Washington that the Eisenhower Administration wants builders to start 1,200,000 new homes next year. He predicted that this volume would be attained, and that only a seasonal decline would occur in the months immediately ahead. The Departments of Labor

and Commerce have jointly predicted this number of starts for 1956.

Senate Mortgage Hearings

Senator John Sparkman (Alabama), chairman of the Housing Subcommittee of the Senate Banking and Currency Committee, has stated that hearings will be held during the latter part of November on today's housing and mortgage credit problems. This is a preliminary to pos-

sible legislation at the next session of Congress. Leaders in Government housing and credit fields will be asked to present their views.

Credit Curbs Advocated

The president of the American Bankers Association, Fred F. Florence, defended the credit restraint policies of the Federal Reserve in an address at the Mortgage Bankers Association annual convention.

Public Housing in News

A concerted drive is again developing by advocates of Government supported public housing.

Public housing group may seek 200,000 new public housing units each year for three years, with Government paying for loss resulting from occupancy of these buildings by low-income families at rentals less than it costs to maintain the properties.

CALENDAR

American Bankers Association

Dec.	1- 3	Agricultural Credit Conference, Morrison Hotel, Chicago
Dec.	4- 6	Southern Secretaries Conference, Williamsburg Inn, Williamsburg, Va.
1956		
Jan.	16-18	Nat'l Credit Conf., Conrad Hilton Hotel, Chicago
Jan.	24-25	Eastern Secretaries Conference, Commodore Hotel, N. Y. C.
Jan.	30-31	Regional Svgs. & Mortgage Conf., Muehlebach Hotel, Kansas City
Feb.	3	Graduate School of Banking Faculty Conference, Sheraton - Astor Hotel, N. Y. C.
Feb.	6- 8	Midwinter Trust Conf., Waldorf Astoria, N. Y. C.
Mar.	5	Nat'l School Svgs. Forum, Statler Hotel, N. Y. C.
Mar.	5- 7	Savings & Mortgage Conf., Statler Hotel, N. Y. C.
Mar.	19-21	Instalment Credit Conf., Jefferson Hotel, St. Louis, Mo.
Apr.	22-24	Executive Council, Spring Meeting, The Greenbrier, White Sulphur Springs, W. Va.
June	4- 8	American Institute of Banking, Adolphus Hotel, Dallas
June	11-23	The Graduate School of Banking, Rutgers University, New Brunswick, N. J.
Oct.	21-24	82nd Annual Convention, Los Angeles, Calif.

State Associations

Apr.	10-12	Georgia, General Oglethorpe, Savannah
Apr.	12-14	Florida, Hollywood Beach Hotel, Hollywood
Apr.	20-21	Nevada, Thunderbird Hotel, Las Vegas
Apr.	22-24	Louisiana, Roosevelt Hotel, New Orleans
May	2- 5	Pennsylvania, Chalfonte-Haddon Hall, Atlantic City, N. J.
May	3- 4	Oklahoma, Skirvin Hotel, Oklahoma City
May	3- 5	South Carolina, Poinsett Hotel, Greenville
May	8-10	Ohio 7, Deshler-Hilton Hotel, Columbus
May	8- 9	Tennessee, Hotel Patten, Chattanooga
May	9-11	Kansas, Topeka
May	10	Delaware, Du Pont Hotel, Wilmington
May	11-15	Maryland, Claridge Hotel, Atlantic City, N. J.
May	13-15	Missouri, Jefferson Hotel, St. Louis
May	13-15	Texas, Statler-Hilton, Dallas
May	16-17	Indiana, Claypool Hotel, Indianapolis
May	18-19	New Mexico, Hilton Hotel, Albuquerque

May	18-19	North Dakota, Plainsman Hotel, Williston
May	19-26	North Carolina, Cruise to Havana & Nassau, SS Queen of Bermuda
May	20-22	California, Coronado Hotel, Coronado
May	21-23	Arkansas, Arlington Hotel, Hot Springs
May	21-22	Colorado, Broadmoor Hotel, Colorado Springs
May	21-23	Mississippi, Buena Vista Hotel, Biloxi
May	23-25	New Jersey, Chalfonte-Haddon Hall, Atlantic City
June	1- 2	Connecticut, Equinox House, Manchester, Vt.
June	4- 6	Illinois, Palmer House, Chicago
June	6-10	Dist. of Col., The Homestead Hotel, Hot Springs, Va.
June	7- 9	Massachusetts, New Ocean House, Swampscott
June	7- 9	Washington, Olympic Hotel, Seattle
June	8- 9	New Hampshire, Wentworth-by-the-Sea, Portsmouth
June	8- 9	Washington, Olympic Hotel, Seattle
June	10-12	Idaho, The Lodge, Sun Valley
June	11-13	Minnesota, Nicollet Hotel, Minneapolis
June	13-15	New York, Essex & Sussex, and Monmouth Hotels, Spring Lake, N. J.
June	14-16	Wyoming, Jackson Lake Lodge, Moran
June	15-16	Vermont, Equinox House, Manchester
June	17-19	Oregon, Pilot Butte Inn, Bend
June	18-19	Utah, Jackson Lake Lodge, Moran, Wyo.
June	18-20	Wisconsin, Schroeder Hotel, Milwaukee
June	21-23	Montana, Many Glacier Hotel, Glacier National Park
June	21-23	Virginia, The Homestead, Hot Springs
June	21-24	Michigan, Grand Hotel, Mackinac Island
June	22-23	New Jersey Mutual Savings, Monmouth Hotel, Spring Lake
June	22-24	Maine, Poland Spring House, Poland Spring
July	19-21	West Virginia, The Greenbrier Hotel, White Sulphur Springs
Sept.	20-22	Savings Banks Association of Maine, Wentworth-by-the-Sea, Portsmouth, N. H.
Oct.	5- 6	Connecticut Mutual Savings, Wentworth-by-the-Sea, Portsmouth, N. H.
Oct.	12-13	New Hampshire, Fall Meeting, Mountain View House, Whitefield
Oct.	28-31	Iowa, Fort Des Moines, Des Moines

Other Organizations

Mar.	26-28	Independent Bankers Assn., Jung Hotel, New Orleans, La.
Sept.	17-20	National Association of Bank Auditors and Comptrollers, The Shoreham Hotel, Washington, D. C.
Oct.	7-11	Financial Public Relations Association, Dallas, Texas

Meetings Feature Variety

Speakers Treat of Trusts, Natural Resources, the Business Outlook, Health, and Government as a "Good Trustee"

THEODORE FISCHER

MORE than 600 trustmen from 29 states and the District of Columbia descended upon Houston for the 24th Mid-Continent Trust Conference on November 3 and 4. There came also, albeit uninvited, a Yankee cold wind known locally as a "norther." This had no cooling effect whatsoever on Texas-type hospitality.

The trust bankers heard from experts in their own field; heard of Texas products—oil and natural gas—heard of atomic energy and of health. They heard, too, how government itself is a trust, and how in this land the Government acts as a trustee for its people—this from Mrs. Oveta Culp Hobby.

The Conference was called to order by Joseph H. Wolfe, deputy man-

ager in charge of the A.B.A. Trust Division; the National Anthem was sung; prayer was offered; Jack Garrett, president of the Texas Bankers Association and of the Texas Bank and Trust Company, Dallas, greeted the group—and things began to hum.

Businesses in Trust Not "Alien"

Richard P. Chapman, president of the Trust Division and of The Merchants National Bank of Boston, explored the potentially large field of acceptance of accounts involving business or property in trust. "Enlightened self-interest, if nothing else," said Mr. Chapman, dictates that the field for trust service should be explored "fully and construc-

tively, substituting for the negative and defensive attitudes long too prevalent the positive approach of discovering and removing whatever obstacles may exist."

He discussed the three principal objections to welcoming businesses and property interests in trust: First, "that the bank may not feel that it is properly qualified to handle such accounts; second, that they can involve it in undue risks; and third, that it is difficult to obtain adequate compensation for the extra work and responsibility involved. . . . I believe that none of them poses an insurmountable problem to those of us who wish to go forward. As time goes on, and these principal objections receive more and more attention from both lawyers and trustmen, the accumulation of practical experience in meeting them should serve gradually to reduce their significance.

"The problem," Mr. Chapman asserted, "is not to run a business or a farm on a daily basis, but to see that it has competent operating management, then to follow its affairs carefully, and to make timely and proper decisions as to its continuance as trust asset in the light both of its changing outlook and the particular requirements and objectives of the trust estate. It is something considerably more weighty than is involved in granting a routine proxy to the management of General Electric, to be sure, but it is not alien to our daily decisions as bankers."

On Working Together

Raymond H. Trott, president of the Rhode Island Hospital Trust Company, Providence, and a former president of the A.B.A. Trust Division, told the Conference that it isn't sufficient to have a good executive

Dr. R. C. S. Young

Raymond H. Trott

Richard P. Chapman





Paul Kayser

General Ernest O. Thompson

Charles W. Williams

and a good trust department—the two departments must function together as a part of the whole bank. "Alertness to the changing economic picture is, of necessity, a part of the banking department's day-to-day activities," Mr. Trott declared. "However, since the effect of the economic picture on the trust department is a very real and important one, the bank president must make certain that his trust department executives are equally alive to the local and national economic conditions, so that in their administration of the trust department, they can act to the best possible advantage."

Predicting for 1956

Charles W. Williams, vice-president of the Federal Reserve Bank of Richmond, foresees upward pressure on prices and a slight decline in industrial production as in prospect for 1956. "Although speculative optimism has clearly cooled," Mr. Williams told the meeting, "the economic situation in these United States continues to be characterized as one of intense demand for most goods and services—an over-all demand reflected in pressures on the productive capacity of most cardinal lines of industry and on the supply of credit from almost every conceivable source. It is also a situation which exhibits upward pressures on a long-quiescent price level, particularly on industrial raw materials, on the price

of labor (wages), and on the price of credit (interest rates), . . .

"A little less active economy on the industrial side, with less need for the stringent checkrein on credit," Mr. Williams sees as a "distinct possibility. Fortunately, this would permit—in fact, invite—much-needed attention to public works—and implies a bigger supply of governments of the tax-free variety."

Gilbert T. Stephenson

Fred F. Florence

Noel L. Mills



Conservation of Resources "Kin" to Trust Function

Lieutenant General Ernest O. Thompson, chairman of the Railroad Commission of Texas, said that "my long and continuous contact with oil and gas conservation convinces me that there is a great kinship between our work and that of your profession. I mean good stewardship."

General Thompson sees it this way: "You take care of other people's money and property. You counsel and advise them how to conserve and protect what they have, and help them to make two dollars grow where one grew before. And, more than that, you are entrusted to extend loans that will improve our cities, our farms and ranches, our state and nation.

"This wise use of funds the world around has helped stabilize conditions, free trade, and preserve the peace.

"That," he declared, "is my view of conservation—not the locking up, but wise use of our natural resources."

Atoms Pose No Threat

There's enough natural gas to last for 20-odd years, when the gas is gone the pipelines will still remain and will carry manufactured gas, the industry is in no competition with atomic energy, according to Paul Kayser, president of the El

"AR-IZ-ONA

here I come!"



Soon as Santa's through
he heads for sunshine,
rest and downright relax-
ation.

Why don't you join the trek?

We'll be glad to see you
... Arizona will be glad
to have you ... you'll be
glad you came!

ARIZONA'S
STATEWIDE
BANK 37 Offices

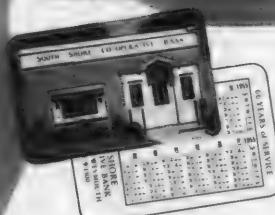


Home Office: PHOENIX

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Plastichrome POCKET & DESK Calendars

IN FULL NATURAL COLOR
DESIGNED SPECIFICALLY FOR
FINANCIAL INSTITUTIONS



Plastichrome® Calendars are revolution-
ary new products — they are
reproductions of your bank building
or other specific local scenes in realis-
tic, full color printed on special
coated stock which has a long lasting
plastic finish.

Write for information, samples, and
prices on genuine Plastichrome®
Calendars and other full color
specialties.

NATURAL COLOR COMPANY

400 NEWBURY STREET,
BOSTON 15, MASSACHUSETTS



Stanley W. Olson, M.D.

R. N. Gresham

Oveta Culp Hobby

Paso (Texas) Natural Gas Company.

Mr. Kayser in fact, sees the pipelines as a pretty good investment, since during the life of natural gas their cost will have been amortized, and they will surely then be ready to serve with gas manufactured from coal.

The demand for gas, he says, is not likely to be lessened by the increased use of atomic energy. "The only plan on the horizon at present is the proposed use of atomic reactors to produce heat to make steam to generate electricity in those areas where the price of fuel is abnormally high. . . . There is no serious suggestion that atomic energy can be used in small home units. Its use is only proposed as a 'fuel'—a source of heat—to make steam. Consequently, unless it can materially lessen the present cost of other fuels (oil and coal) now used to generate electricity, it cannot affect the demand for gas."

Health Affects Banking

A close relationship between health and banking was discovered by Stanley W. Olson, M.D., dean of the Baylor University College of Medicine, Houston. "You are thoroughly familiar," said Dr. Olson, "with the expansion that has occurred in long-term mortgages and other types of credit. Many factors which you understand much better than I have entered into this trend. I submit, however, that not the least of these factors is the sense of security that comes to both the customer and the lender from the knowledge born of experience that the customer has a high probability of living long enough to repay his loan. . . . Business cannot survive unless there is a steady consumer demand. Consumer demand, in turn, is related to a sense of personal security, freedom from illness, and an expecta-

tion that one will be well, will be working, and will be able to pay off any obligations that have been incurred."

Conservative; Constructive

Another speaker looks upon the trust function as "conservation." Fred F. Florence, president of the American Bankers Association and of the Republic National Bank of Dallas, said that "throughout the years our trust institutions have been conservative. They must continue to be conservative. Their function involves the conservation of wealth. Yet we can be proud of the accomplishments through which alert management has adapted the business to the changing needs of the times—as new forms of wealth and new institutional and structural arrangements have tended to replace the creation of the kinds of estates that marked the earlier period of growth of our country.

"Conservatism does not mean unwillingness to change. It does mean, however, that the basis for our decisions and policies should rest on solid, constructive, and intelligent judgment. We should not subscribe to the assumption that continued inflation is inevitable. We in the financial community have an important responsibility to resist inflationary pressures."

Possible Tax Savings Seen in New Code

The new 1954 Internal Revenue Code contains important improvements for estate planners, the Conference was told by R. N. Gresham, of Boyle, Wheeler, Gresham, Davis & Gregory of San Antonio.

There can be certain tax advantages under the new code, the speaker said, but it "must also be watched to prevent undue hardships on some

(CONTINUED ON PAGE 115)



• "The Old Courthouse," a water color by Virginia Moberly Schlueter, prominent St. Louis artist, was awarded first place in the annual Christmas card competition sponsored by the St. Louis Artists' Guild in cooperation with First National Bank in St. Louis.

A century-old landmark in downtown St. Louis and now a National Museum, the Old Courthouse recalls colorful memories of the great Westward movement and Missouri's pre-Civil War days.

*May the blessings of Christmas be yours
in abundance...
And every day of the New Year
rich with happiness...*



NABAC's Mile-high Meeting

JOHN L. COOLEY

NABAC—that's short for National Association of Bank Auditors and Comptrollers—took its annual meeting a mile above sea level this year. In the pleasant environment of Denver it provided a four-day mid-October program, the quality of which quite matched the host city's high elevation.

Some 1,200 members of the NABAC family registered for Convention No. 31. They heard technical papers, asked questions, elected officers, swapped ideas, listened to reports on their organization's growth and service, and spent a few hours inspecting the grand old Rocky Mountains.

Also, they paid their respects to five presidents. One was Robert H. Shepler, vice-president and cashier of The Denver National Bank. As

head of the association during the past year, he reported a membership increase of 236 banks for the period, bringing the roster to 5,498. Another president was Bob's successor, Robert F. Goodwin, comptroller of the Wachovia Bank and Trust Company, Winston-Salem, N. C. He's NABAC's head man until the Washington, D. C., convention of 1956.

The third president, Fred F. Florence, president of the American Bankers Association and of the Republic National Bank of Dallas, addressed the convention at its opening session in Denver's Auditorium. He urged banks to serve the public dynamically, improving their services and anticipating their customers' needs.

Still another chief executive,

NEW OFFICERS—Retiring president Shepler, *third from left*, vice-president and cashier, Denver National Bank, greets his successor, Robert F. Goodwin, comptroller, Wachovia Bank and Trust Company, Winston-Salem, N. C. At the *far left*, Second Vice-president Steve H. Bomar, vice-president and treasurer, Trust Company of Georgia, Atlanta; *next*, First Vice-president Edward F. James, treasurer, Fidelity-Philadelphia Trust Company, Philadelphia, Pa.; *second from right*, Secretary-Treasurer Franklin D. Price, comptroller, First National Bank in Dallas, and Executive Secretary Darrell R. Cochard



TWO PRESIDENTS—Fred F. Florence of the A.B.A., *left*, and Robert H. Shepler of NABAC

Henry A. Kugeler, president of The Denver National Bank, welcomed the convention to his city.

And the President of the United States

And the President of the United States, who was convalescing in Fitzsimons Army Hospital a few miles away, figured in the convention, too. More than one speaker, including Mr. Florence, expressed hope for Mr. Eisenhower's quick recovery.

The delegates, at their last session, joined in a prayer, phrased as a resolution, that he soon be restored to "complete health, energy, and active leadership of our country."

"We are mindful," said the convention, "of the continuing need for his inspiration, leadership, and devotion to the cause of peace throughout the world." A copy of the resolution was sent to President Eisenhower.

Bread and Butter Topics

At a series of sessions keyed to NABAC's field—bank accounting, audit, control, and operations—the convention heard expert papers on such topics as income taxes, insurance, automation, accrual and cost accounting, bookkeeping systems and procedures, work simplification, drive-in and walk-up banking, budgeting, evaluation of the bank's audit program.

Some of these subjects were discussed at small-bank and large-bank panel sessions where there were opportunities to ask questions.



REGISTRATION—The delegates pick up their badges and kits at the Auditorium

"We Mustn't Be Complacent"

President Florence told the delegates that bankers mustn't assume their "role in the world of today—with its emphasis on consumption—can be passive and not aggressive."

"Although a larger volume of business is being transacted through our tellers' windows and over our loan desks as a result of increased levels of industrial activity, commerce and personal consumption, we must not be just complacent," he said. "Each of us must ask ourselves whether we are capitalizing on the full potential the situation has to offer.

"A period of prosperity and growth such as we are now experiencing can be misleading. Analysis of our individual institutions may reveal that some of us are really slipping backward by failing to keep pace with the expansion and structural changes taking place around us."

"Engineers of Banking"

The A.B.A. president urged the NABACers—he called them "the engineers" of banking—not to lose sight of the three basic requisites for a smooth, proper functioning of the banking system: safety of depositors' funds, convenience and completeness of banking facilities, and efficiency in low-cost services. It would, he said, be "thoroughly unwise" to assume that, because the general situation now seems "so rosy," bankers "should not con-

stantly strive for improvement" in meeting those three requirements.

"To provide the type of service our customers demand and deserve in a consumption-conscious economy, banks must be dynamic," Mr. Florence asserted. "We must strive to improve our services and to anticipate the wishes of the public by adapting our operations to its changing needs."

No "Push-button" Banking—Yet

NABAC had Warren Morgan of Arthur Andersen & Company, Chicago, to cover automation. Cautioning that the push-button office was still "far in the future," he said electronic devices in banking would follow three distinct paths: general purpose computers, special purpose computers, and mechanical devices, such as check readers, which use electronic techniques.

The outlook for small general purpose computers and automatic check handling equipment, in Mr. Morgan's opinion, is "very bright." Automation in some form, he feels, should ultimately become available to the small as well as the large bank. Use of large-scale computers will probably be limited because of the cost.

A report on technical papers and discussions heard at the auditors and comptrollers convention appears in this month's "Operating Procedures," page 40.

School Foundation Gets Gifts

Mr. Shepler announced that the NABAC School Foundation, established a few months ago in support of the educational program the association conducts at the University of Wisconsin, had received contributions totaling \$2,650. At the convention The Citizens & Southern National Bank of Atlanta, through Vice-president and Comptroller Hugh W. Fraser, Jr., presented a \$500 check, thus becoming the first bank giver. The Association's Past Presidents Club also contributed. There had previously been gifts from the Milwaukee, Chicago and Denver Conferences, the committee of the 1955 northern regional meeting, and the NABAC School Class of 1955.

Mr. Shepler reported that 124 banks—mostly smaller ones—had applied for the association's free counseling service which helps an institution build an audit and control program around its present operations.

Charles Z. Meyer Honored

To Charles Z. Meyer, vice-president and comptroller, The First National Bank of Chicago, went the NABAC key for meritorious service to the association. Mr. Meyer, a past national president, has served on the National Organization Committee, headed the Accounting Commission, and helped form several Conferences. He is a past president of the Controllers Institute.

...Share in Australia's Continuing Development

MANY AMERICAN BUSINESSMEN ARE DEVELOPING
AUSTRALIAN INTERESTS



Australia is a rapidly growing country offering good opportunities for soundly based business ventures.

A.N.Z. Bank knows Australia thoroughly and specializes in providing sound information — both specific and general — for oversea industrialists.

Write to us for a copy of the Bank's 114-page book:

"Australia's Continuing Development"

This publication contains an authoritative and objective survey of Australian industrial and business conditions. Specific information on any industry or aspect of trade will be supplied on request.

If it's about Australia ask



A.N.Z. BANK

AUSTRALIA AND NEW ZEALAND BANK LIMITED

Business Development Department

General Manager's Office: 394 COLLINS STREET, MELBOURNE, AUSTRALIA

Over 800 Branches and Agencies throughout Australia and New Zealand,
in Fiji, Papua and New Guinea and in London.

PROGRESS

The year now drawing to a close has been replete with technological advances in all fields. Banking, at long last, has had a look at a number of new electro-mechanical devices designed to speed up check processing. Some of these wonders are proving themselves in field tests. Others, now nearing completion, show great promise. Still others may find it difficult to live up to advance publicity. In any event, a pattern has been forming which begins to be recognizable and in the year ahead the spotlight of critical analysis may reveal that which is practicable.

We who print bank checks have felt the impact of this electronic movement, but it is no longer shrouded in mystery. We now know, within reasonable limits, the character of the data which we must print on checks, and we know that we can print it. We understand what will be required of us with respect

to tolerances, and we have adjusted to them. In brief, electronic automation, insofar as it affects check printing, can be taken in stride.

In the meantime, we have been introducing a little automation of our own, but it has been directed toward the conventional machinery customarily used in our business and is designed to improve the quality of the checks which each year we sell to more than twelve thousand banks. We are ever mindful of the fact that the bank check is the personal currency of the public and, regardless of the processing data to be printed on checks in the future, we are constantly striving to make them better looking today. That is why, for the tenth consecutive year, we have spent about three times our depreciation to keep our equipment up to the minute and to insure us the accuracy and the capacity to turn out better checks for more people.

Manufacturing Plants at: CLIFTON, PAOLI, CLEVELAND,

INDIANAPOLIS, CHICAGO, KANSAS CITY, ST. PAUL

Four Little Indians

These young men bobbed up at the tail-end of the tour arranged by Denver Conference and its convention committee, whose chairman was Vice-president Rollo E. Jacobs of the United States National Bank. The trip, by bus, took the delegates to Central City, the old mining town where they saw, among other sights, the Teller House and its "Face on the (Bar-room) Floor." Then the caravan went to Boulder and the University of Colorado, and everybody gathered on the campus to watch a quartet of Indian boys dance in full regalia, to a drum accompaniment provided by a grandpa Redskin.

The NABACers liked that. And the Indians seemed to like the bankers. Anyway, they were obviously refreshed by the shower of silver wampum that fell during their maneuvers.

It was a good way to end a good convention.

What Banks Are Doing

Picture Tour of Fulton National's New Building

A special supplement of the *Atlanta Journal and Constitution* took the public on a picture tour of the Fulton National Bank's new home. The 16-page magazine, in color, provided a floor-by-floor trip around the big building.

On the front cover was an invitation from President William V. Crowley to visit "Atlanta's newest banking quarters" during open house week. The supplement was distributed as a souvenir.

"Open House" New Business

The GREEN POINT SAVINGS BANK of Brooklyn, N. Y., had open houses on two successive Saturdays, and did considerable new business on both occasions. The first marked the introduction of the bank's expanded Green Point office. More than 14,000 visitors came; 2,474 new accounts were opened and 91 safe deposit boxes rented. The following week the bank celebrated completion of its enlarged Canarsie quarters. Attendance was 7,000. There were 1,619 new accounts and 135 box rentals.

**take
your
first
look,
too!**

**it's the new Burroughs
3-total teller's machine**

You're looking at the new way to speed window service, eliminate errors, save hours of teller time. Here's why: a single Burroughs Teller's Machine provides all the features necessary to do these transactions mechanically—

- Receiving
- Validating
- Cash Control
- Miscellaneous Adding or Deposit Accumulation

But you'll want to hear all the news—actually see these new complete-job teller's machines in action. So call our nearest branch office right away for an on-the-spot demonstration of any of 5 moderately priced models. Or write directly to Burroughs Corporation, Detroit 32, Michigan.

*Wherever There's
Banking There's*



Housing Center

THE National Housing Center, conceived and sponsored by the National Association of Home Builders, is an 8-story modern building in the heart of Washington, D. C. It is located at 1625 L Street, N. W.—four blocks from the White House. Six of the eight floors will contain exhibits representing a cross-section of the home building industry. It was opened October 3.

Basic purpose of the Center is to bring together in one place the ideas, materials and data that will enable architects to plan, builders to construct and home buyers to select the best home building components and services American productivity can offer.

A central information desk is located

at the entrance of the building. The staff directs visitors to the various displays and products exhibited and provides manufacturers' literature.

The world's finest reference library on home building is being assembled in the Center. The library will be staffed with professional librarians and its services will be available to all concerned with building.

The auditorium will seat approximately 250 people and will have a completely equipped stage available for demonstrations with electricity, gas, water, and compressed air. It will also contain the most modern projection and motion picture equipment. Television facilities also will be included.



The National Housing Center building



Left, an exhibit on telephone installations. Right, Vice-president Nixon, who opened the building officially, looks at one of the kitchen exhibits

"Island-type" exhibits are used, as shown in the picture at left. Right, a partial view of two of the six exhibit floors





"Those checks will have cleared by morning
because National Bank of Detroit
works all night."

NATIONAL BANK OF DETROIT

More Friends Because We Help More People

Member Federal Deposit Insurance Corporation

Safe Deposit

(CONTINUED FROM PAGE 57)

greatly simplified. Once each month the custodian "needles" the deck of contract cards so that all those on which rent will be due during the current month drop down and to one side. We do not physically remove these cards because we don't want to have to file them back. They are simply offset about two inches to the right of the rest of the deck. The custodian then types all the bills for the entire month, pushing the extended card back into place as each notice is typed. Bills are then placed in window envelopes and mailed to the customers.

A fairly radical change was made in the place and manner of payment. Where customers formerly paid their rent at the safe deposit desk, they are now directed to any teller window. Copying our local utility companies, we have developed a stub-type bill. To accept a payment the teller simply stamps both bill and stub with her teller stamp, detaches the stub and returns it to

the customer. The bill itself is retained by the teller and is the only accounting entry that is required. This is an extremely fast operation and can be done in as little as five seconds, which is a far cry from our old procedure that revolved around prenumbered receipts, in duplicate, bound in books.

Even the method of posting has been overhauled. Formerly we posted payments as they were received, but now we accumulate the posting tickets until it is time to send past-due notices for the previous month. At this time we sort the tickets numerically and again "needle" the cards. When the cards are again extended we have two things: a numerical file of unposted contract cards and a numerical file of posting tickets representing all rent payments taken in during the previous month. Any extended card for which there is no posting ticket is automatically past due, so no separate operation is required to locate past due accounts. Posting is done by means of a rubber stamp and goes very quickly. As the custodian comes to a card for which there is

no ticket she types out a past due notice in duplicate. The original is inserted in a window envelope and mailed to the customer while the duplicate is filed as a tickler in case a second notice is required.

An additional, unexpected bonus resulted from the transfer to the new type contract card. We noticed that very few contracts had authorizations to charge checking accounts for annual rent. Since an expansion of this would simplify even further the collection of rent, we decided to make a campaign of it. In two hours the custodian obtained as many authorizations to charge checking accounts as we had in the entire previous history of the branch. This campaign is continuing and the results are very satisfactory to date.

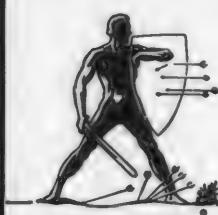
Although this system is very young, and is being used in only one of our 60 branches at the present time, it has already produced material savings in customer time, clerical time, stationery cost, supply space and record-storage space. We predict a bright future for this infant.



Know-How

gained in our many years
of experience with

BANKERS BLANKET BONDS



can help financial institutions
find the right answer to
their bonding requirements.

NATIONAL SURETY

C O R P O R A T I O N

4 ALBANY ST., NEW YORK

A MEMBER OF THE FIREMAN'S FUND INSURANCE GROUP

Disaster Loans

(CONTINUED FROM PAGE 53)

urer, Park Office, Winsted; Robert L. Nelson, assistant treasurer, Capitol Office, Hartford; and Lewis A. Partridge, vice-president, retired.

Connecticut National Bank, Bridgeport: Carl J. Carlson, and William Pascarella.

First National Bank, Boston: Dwight C. Flanders and Charles J. Kittridge, Jr.

First National Bank, Greenwich: Harold B. Vail, assistant vice-president.

First National Bank & Trust Company, New Haven: Burdette L. Meyer, assistant cashier.

First National City Bank, New York: John D. Hashagen, William Osborne, and Girard Nocera.

First-Stamford National Bank & Trust Company: Paul R. Cramer, credit analyst; and Thomas W. Smith, III, assistant vice-president.

Glastonbury Bank & Trust Company: J. Daniel Ferraris, treasurer, and B. Floyd Turner, president.

Hartford National Bank & Trust Company: D. Francis Burke, assistant cashier; Atwood C. Ely, assistant vice-president, Bishop's Corner Office; Stuart B. Knapp, assistant cashier, West Hartford Center Office; Charles E. Lord, credit department, Main Office; and Curtis J. Norris, assistant vice-president, Commerce Office, New London.

Home National Bank & Trust Company, Meriden: John M. Brown, assistant cashier; and Donald J. Clark, vice-president.

Manchester Trust Company: Thomas E. Rollason, assistant treasurer.

New Britain National Bank: Robert J. Bertini, assistant cashier, and Harold L. White, assistant cashier.

New Britain Trust Company: Frederick R. Beach, assistant treasurer.

New Haven Bank, N.B.A.: Elwood L. Hudson, credit department.

Second National Bank, New Haven: Herbert F. Kusterer, assistant cashier.

Southington Bank & Trust Company: George E. Nelson, treasurer.

Stamford Trust Company: Robert L. Chamberlain, and Donald P. Mead, assistant treasurer.

Union & New Haven Trust Com-

"Brandt" and "Cashier" registered United States Patent Office and Canadian Trade Marks Office.

pany: Benjamin T. Gaillard, assistant treasurer.

Reporting on activities of the American Red Cross in Connecticut, Edward J. Gully, state disaster director, said that awards currently totaled \$7,700,000; and the Red Cross, in the 6-state area stricken by the August floods, has expended \$16,000,000 for relief and rehabilitation. He also said that in Connecticut alone 6,641 families requested assistance, and 730 cases are still open. There are 600 business assistance cases, of which 300 have been closed, with grants ranging from \$100 to \$18,000. In providing for mass care during the August flood emergency, the Red Cross expended \$924,644; and for rehabilitation and relief, grants have been awarded for a total of \$6,806,951.

Arthur E. Long, director of the New York regional office of the Small Business Administration, reported that, so far, 684 business loans have been made and 107 home loans. Both Mr. Gully and Mr. Long praised Connecticut bankers for participating locally in many loans made by the SBA and for assistance to the Red Cross in compromising debts in various cases to permit grants to be made for relief and rehabilitation of families and business firms.

A Film and a Panel

Another interesting feature of the general program was the showing of the film *The Big Flood of 1955* by the Southern New England Telephone Company.

One of the most interesting parts of the conference was the panel staged by Wayne Alderman, vice-president, Brooks Bank & Trust Company, Torrington; William G. Boies, president, Naugatuck National Bank; Richard B. Haskell, executive vice-president and treasurer, Mechanics Savings Bank, Hartford; Joseph Bove, secretary-treasurer and assistant trust officer, The Cargill Trust Company, Putnam; and John H. Payne, Jr., vice-president, Colonial Trust Company, Waterbury, who acted as moderator.

The first speaker on the panel was Mr. Alderman, who said that Brooks Bank & Trust Company of Torrington, which was flooded during August, provides a lesson for bankers in all parts of the country as to some of the things they can do to minimize damage and interference

with operations in the event of a disaster, whether it be flood, fire, tornado, or some other cause. One of the first things bankers should do is to make certain that they will have a source for electrical power to operate bank machines and equipment under all conditions; second, to maintain an emergency source for bank supplies; and third, to make arrangements, in case the banking offices are rendered unusable, for space where an emergency headquarters can be established.

Staff Organization

Mr. Boies, as a result of the experience of the Naugatuck National Bank, urged that bank staffs be organized so as to insure the availability of a skeleton staff in the event of any kind of emergency. He also recommended that all financial institutions, including commercial banks, savings banks, and building and loan associations, plan for co-operation to exchange emergency offices and staffs in order to insure community confidence. Mr. Boies commended the Federal Reserve Bank of Boston and the public utilities for their services during the emergency. Among the problems banks met with in Naugatuck were special permission to open on Saturday because of an emergency industrial payday, the demand for an increased capacity to process loan applications and for an increased capacity of bank equipment to copy records destroyed in the flood.

SBA-A.B.A. Disaster Loan Program

A PERMANENT plan to render financial assistance for relief and rehabilitation of communities stricken by floods, tornadoes, or other disasters is being worked out through the cooperative effort of the Small Business Administration of the Federal Government, the American Bankers Association represented by its Small Business Credit Commission and State Association Section, and the various state bankers associations. The permanent disaster loan program is outlined in a letter that has been mailed to officers of the state bankers associations from the national headquarters of the A.B.A., giving procedures to be followed in a 12-step program to cope with the needs arising in any kind of a disaster.

Mr. Haskell urged that legislation be enacted to provide for flexibility in handling home mortgages in the event of a disaster, which might permit participation by banks with the Small Business Administration or provide for second mortgages to insure availability of funds to home owners. He also commended the savings banks of Connecticut, which organized a pool of mortgage interviewers to assist all banks in the state, and urged that in the event of a disaster banks contact town engineers to help spot areas where damage had occurred.

Mr. Bove spoke highly of Red Cross and Small Business Administration operations in Putnam, where 400 families and 50 businesses sustained almost total loss.

Preventive Measures, Too

While the banks of Connecticut are concerned with immediate problems in connection with financing the repair of damages to homes, businesses, and industries, they are also interested in measures being proposed for prevention of floods. The Naugatuck River industrial area, which comprises lands along the Naugatuck, Housatonic, and Farmington Rivers, is included in membership of the Naugatuck Valley Industrial Council, which is actively studying flood prevention. A committee of 14 engineers from industry has been working with U. S. Army Engineers to plan a flood prevention program which would include water storage dams, the maintenance of river channels, and protection for retaining walls and revetments. It is pointed out that, as a result of the five big floods which have occurred since 1900 and the excessive building, especially during the two World War periods, the river channels have gradually been encroached upon and filled in.

When the program of the Industrial Council is completed, it will require cooperation by municipalities, county, state, and Federal Government agencies, and private business firms for realization. Financing of the work to be done, which may include relocation of some smaller industries, is expected to include participation by the Connecticut Development Corporation, which was organized by banks, insurance companies, utilities, and industry, and was chartered by the state in 1953 to encourage industrial development.

Time for Action!

When a banker earns 6%
and pays interest of 2½%
and then pays 150%
per hour in overtime
salaries to pay
that interest...

it's time he called an IBM representative
to inquire about how IBM computing facilities
help stop overtime losses at interest time!

For fast action to meet your requirements,
call your local IBM representative
or write: BANKING DEPARTMENT,
International Business Machines Corp.,
590 Madison Ave., New York 22, N.Y.



DATA
PROCESSING

Washington

(CONTINUED FROM PAGE 39)
to a new high of around \$1.75-billion.

Mortgage Warehousing Viewed Skeptically

Certain phases of mortgage warehousing by commercial banks are viewed skeptically by the Federal Reserve Board as well as by the Federal Reserve Bank of New York, it is understood.

However, the building industry is

said to have missed the point as to what supervisory authorities actually mean by reference to the term "mortgage warehousing." They do not necessarily mean by this that all forms of credit extended by commercial banks to mortgage companies or others engaged in the mortgage lending business are subject to scrutiny.

One aspect viewed with disfavor, it was explained, is the purchase by commercial banks of a block of mortgages from a mortgage banker or insurance company under a specific

agreement to resell the same block of mortgages back to the original seller in some specified future period, such as 18 months or two years after the original transaction.

Such a transaction, in the opinion of some supervisory authorities, is not an appropriate commercial bank function, but rather an investment of short-term funds in a long-term outlet. On the other hand, it was explained, supervisory authorities do not view with the same alarm the lending by commercial banks to mortgage companies on loans secured by real estate or other collateral.

It may be doubted, however, that the Federal Reserve Board will make this distinction in any public statement.

FNMA Sales Await Market Improvement

It was anticipated that resumption of sales of mortgages from the portfolio of the Federal National Mortgage Association would await a considerable improvement in the mortgage market.

FNMA had been offering for sale its 4s at 96, its 4 1/4s at 98, and its 4 1/2s at par. Sale was stopped a few weeks ago when it was ascertained that buyers were not generally available at these prices, and because it was not desired in a tight money market to compete with sources of new mortgage funds.

These sales were made from the "old" portfolio of some \$2.5-billion of Government-sponsored mortgages. These were the liens picked up before FNMA's reorganization in the fall of 1954 under the Housing Act of that year.

While the final decision had not been made at writing, it was believed that, in view of the tightness of funds, FNMA would have to forego a substantial offering of FNMA debentures. The sale of these securities would have transferred to investors some of the Treasury's burden of carrying this portfolio of mortgages.

On the other hand, FNMA had at the time been hoping it could sell a small issue of debentures to raise funds for its purchases acquired under the new "secondary market" operations of the 1954 act.

New E and H Bond Goal

Some 200 volunteer bond salesmen, including many bankers, met with Treasury officials in November to
(CONTINUED ON PAGE 106)

NEW ONE-STEP SYSTEM

for handling instalment loans

ONE
STEP

- produces all necessary records at one writing
- gives customer complete record identical with yours
- sets up filing and sorting system

LOAN-A-MATIC saves time, expense and errors. Now in use by banks from coast to coast. Additional installations being made as rapidly as possible.

WRITE TODAY for copies of the Accounting Packet and the Coupon Book.



JOHN W. GROSS COMPANY • HARTFORD 3, CONN.

with a light to the future...



CHRISTMAS CLUB EXTENDS TO YOU
A CORPORATION
GREETINGS OF THE SEASON

Again, in this holiday season, Christmas Club, A Corporation, looks back with pride on forty-five years of teaching many millions of Americans the value of thrift in achieving individual financial security.

Financial institutions all over the nation use the services of Christmas Club, A Corporation. They have discovered that Christmas Club builds business by attracting new customers for the other services they offer.

Christmas Club, A Corporation, looks forward to the future . . . to the millions of new Christmas Club members who will become acquainted with financial institutions and their services. These new members will build business for financial institutions . . . and a stronger, healthier America.

In this way, Christmas Club, A Corporation, hopes that it is contributing somewhat to "Peace on earth and good-will to all men."

Christmas Club
A Corporation

FOUNDED BY HERBERT F. RAWL

230 PARK AVENUE, NEW YORK 17, N. Y.

BUILDS SAVINGS • BUILDS CHARACTER • BUILDS BUSINESS FOR FINANCIAL INSTITUTIONS

December 1955



Unretouched Photos Taken in the
Accounting Department of a
Leading Bank Show
Dramatic Performance of

A&W BLUE COPY ROLLS

Clean Hands! Sharp Records! No Smudge!



THE OLD WAY



NEW, CLEAN WAY

1 INSERTING

Keeping plies in line while feeding old-fashioned rolls into the accounting machine invariably means carbon-soiled fingers, smudge-marked paper.

A & W Blue Copy Rolls are easy to insert because plies stay perfectly aligned, won't slip to cause feeding difficulties, can't smudge or smear.



THE OLD WAY



NEW, CLEAN WAY

2 POSTING

Blurry, eye-straining carbon copies are now a thing of the past. A & W Blue Copy Rolls yield clear, clean, legible impressions right through ledger cards.



3 CHECKING

No amount of handling can cause soiling of fingers, arms or clothing when you use A & W Blue Copy Rolls. Here's a "dirty job" made clean.



4 FOLDING

Creases in a carbon copy may transfer ink and ruin legibility, but copies from A & W rolls never smear, offset or distort vital records.



5 FILING

Fingers stay clean no matter how many times they touch copies made with A & W Blue Copy Rolls. Here, for the first time, is "No-Smudge" Accounting!

SAMPLE ROLL FREE!

Make your own test, on your own equipment, without cost or obligation. Simply fill out and send us the coupon at right, specifying the width of roll you require. We'll send you a FREE SAMPLE ROLL to prove our claim of "No-Smudge" accounting!

Interchemical Corporation
Ault & Wiborg Carbon & Ribbon Division
417 East 7th Street
Cincinnati 1, Ohio

Gentlemen:

Please send me one free sample of your new, non-smudging Blue Copy Roll in . . . width for trial on my accounting machine.

NAME _____ TITLE _____

NAME OF BANK _____

STREET _____

CITY _____ STATE _____

plan to sell the new goal of \$5.65-billion of E and H bonds in 1956. This target is \$150,000,000 greater than the \$5.5-billion goal for this calendar year.

Fred F. Florence, president of the American Bankers Association and president, Republic National Bank of Dallas, addressed the Savings Bond volunteers. He warned of the dangers of inflation and urged that credit be made the slave, and not the master, of the economy.

Sales of E and H bonds through October, the Treasury reported, aggregated \$4,548,000,000 compared with sales of \$4,061,000,000 in the first 10 months of 1954. It was thus considered that the current year's goal of \$5.5-billion of sales would be achieved.

Redemptions, including maturities, of E and H bonds during the 10 months amounted to \$3,910,000,000 in comparison with \$3,702,000,000 in the 1954 period. However, a slightly higher redemption was considered normal, in view of the greater amount outstanding in the present year as compared with 1954. Sales in excess of redemptions and unextended maturities was in the 1955 period \$638,000,000 versus \$359,000,000 in the 10 months of 1954.

MAINTENANCE and further development of a banking system that will serve the public with maximum resourcefulness, safety and efficiency is the basic common objective of all the bankers associations, said A.B.A. President Fred F. Florence in a talk to the Nebraska B.A.'s convention.

"This is fundamentally an educational process," he asserted. "The work of our associations very largely revolves about the education of the bankers themselves, the education of the men and women who work with them, and the education of the general public—as well as governmental authorities—as to what our banks are trying to accomplish."

The integration of bankers association programs is important "if we are to make our maximum contribution to the welfare of our country and its people," Mr. Florence said. "I have an abiding faith that the bankers of this country will provide the constructive financial leadership and cooperation that will assure the fulfilment of our responsibility and the realization of our opportunities. In providing such leadership, we shall also create much more rewarding and satisfying lives for ourselves."

The Treasury reported that, of the E bonds which have matured since 1951, in a volume aggregating more than \$18-billion, more than 70% have been extended by their owners.

Bartelt Honored

Edward F. Bartelt, the former Fiscal Assistant Secretary of the Treasury, now retired, was given the first Alexander Hamilton Medal, created by Secretary Humphrey to recognize distinguished leadership in service to the Treasury. The medal

is gold, with a bas-relief portrait of Hamilton on one side and the seal of the Treasury on the other. A certificate signed by the Secretary accompanied the award.

"Flow of Funds" Concept Appraised

After several years of intense work, the Federal Reserve System has completed an analysis of the "flow of funds" in the American economy for each of the years 1939 through 1954 inclusive.

Very much oversimplified, this shows what people spent their money on each year, and where they obtained the money to spend, by several different enveloping categories.

This accounting concept is most complicated. However, it may be that the great usefulness of these new statistics, and the figures published as they are developed from year to year, is that they will serve as another broad checkpoint in measuring the economy.

In other words, the "flow of funds," along with gross national product and national income, will give a much more clarified picture of what is happening to the nation's business health.

Like GNP, it took years to develop. Like GNP, the figures are a composite of definitely ascertainable data, and the best estimates which may be compiled. Like GNP, eventually it will become a more current estimate. For the present, however, Federal Reserve officials will have to satisfy themselves with issuing annual figures showing what has happened in the past.

HAVE YOU SEEN

(1) A careful look at the Eisenhower Administration's ideas for improving the lot of low-income farmers. See the report, *Development of Agriculture's Human Resources: a Report on Problems of Low-Income Farmers*, which may be obtained for 25 cents from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

(2) The study of *Characteristics of the Low-Income Population, and Related Federal Programs*, being a staff study of the Subcommittee on Low-Income Families of the Congressional Joint Committee on the Economic Report. Write to the Subcommittee, U. S. Senate Office Building, Washington, D. C.

(3) A brief summary of SBA's experience with disaster loans. Write to the Administrator, Small Business Administration, Lafayette Building, Washington 25, D. C., for the remarks of Wendell B. Barnes before the Senate Banking Committee, October 31.

(4) An analysis of a special study made by the Office of Business Economics, Department of Commerce, of the financing needs of small business and where they are met. See the article, "External Financing of Small and Medium-Size Business," in the October issue of the Commerce Department's *Survey of Current Business*, which may be purchased for 30 cents from the Superintendent of Documents, Government Printing Office, Washington 25, D. C.

(5) An official outline of the new "Flow of Funds System of National Accounts." See article by that title in your October issue of the *Federal Reserve Bulletin*, or write to the Board of Governors, Federal Reserve System, Washington 25, D. C., for a reprint.

- Air Conditioning
- Air Lines
- Aircraft Manufacturers
- Automotive
- Banking
- Canning and Preserving Products
- Coal

Communication Equipment

Electric Power

- Electric Power
- Frozen Foods
- Glass
- Grain Mill Products
- Hotels
- Investment Banking
- Machinery
- Manufactured Gas
- Meat Products
- Mining
- Natural Gas
- Oil
- Pipelines
- Pulp and Paper
- Railroads
- Railroad Equipment
- Rope
- Steamship Lines
- Steel
- Urban Transportation

3.

THE SPECIALIZED HELP YOU NEED...AT EBASCO



NEW YORK • CHICAGO • DALLAS
PORTLAND, ORE. • WASHINGTON, D.C.

When you have business problems, you can't participate in your organization or you may not even consider your staff or absent key personnel from your office. Through EBASCO, you have access to additional qualified manpower whenever and wherever you need it.

EBASCO's specialty units have had extensive experience in working with all types of companies. This means that you can get the help you need in almost any field.

For a complete outline of the services EBASCO offers, write for our booklet "The Inside Story on Outside Help." Address: EBASCO Services Incorporated, 1000 Peachtree Street, N.E., Atlanta, Georgia 30309.

50th Anniversary
1909-1959

Farm Agency Team-Up

(CONTINUED FROM PAGE 60)

prescribed, stating what he can and cannot do, and in the majority of instances, agricultural representatives appreciate and welcome the aid which the banker gives to the agricultural program in an effort to make it a sounder operation for the community. The local banker has an opportunity to give sound credit advice to farmers. This is an opportunity which, except for his relationship with the agricultural represen-

tative, might not be available to the bank.

It has been said many times that information is of no use unless it is put to use. One of the greatest weaknesses of the agricultural program today is that available know-how is not put to use on the farms and in the rural homes once it is received there. Agricultural leaders have said that in certain areas the farm income could be increased 50% if only the know-how which was available within a county or a state was put into action on the farms and in the homes in that area. An

over-all banker-backed agricultural program can help to accomplish this objective. This can be done not by taking the place of the county agent or the vocational teacher, but by supplementing the important and highly valuable work that they are doing.

It is through this type of cooperation in working with agricultural representatives and rural people, that the sense of pride in individuals and in a community is increased. This is true not only among professional people but also among those in rural areas to the extent that they want to do a better job on their farms and in their homes, as well as in their communities.

Recognizing Opportunities

Here lies one of the biggest opportunities and, in the same sense, values to be received from a farm program. In the final instance, a farm family, group, or a community can do just about anything it wants to do—if it really wants to badly enough. Our greatest problem many times is in getting people to see the opportunities that they have and the benefits of taking action.

You can have no better farm public relations than to have the rural people in the community telling their neighbors and friends what a wonderful job you, as their banker, are doing in helping them in their program, and how much your assistance has meant to them. Once a bank has demonstrated that it can help the farmers, that it is interested in agriculture, and that it can talk the farmers' language (knowledge of farm problems and farm terms), that bank will find it can have no better friends than its rural customers. There is no better way of gaining this farmer confidence, which is so necessary, than by working with rural customers on their problems and helping them to realize their opportunities.

Common and Preferred Dividend Notice

October 26, 1955

The Board of Directors of the Company has declared the following quarterly dividends, all payable on December 1, 1955, to stockholders of record at close of business November 4, 1955:

Security	Amount per Share
Preferred Stock, 5.50% First Preferred Series	\$1.37½
Preferred Stock, 5.00% Series	\$1.25
Preferred Stock, 4.75% Convertible Series	\$1.18¾
Preferred Stock, 4.50% Convertible Series	\$1.12½
Common Stock	\$0.35

W. H. Jones
Secretary

TEXAS EASTERN  Transmission Corporation
SHREVEPORT, LOUISIANA

In Again—Out Again

Agriculture is not like some phases of manufacturing in that you can't "turn it on" and "cut it off" as you would a water faucet. It takes time to get into farming and it takes time to make changes. Therefore, it is highly important that the bank be a part of the agricultural program and that it be a part of whatever.

(CONTINUED ON PAGE 110)

Chase Manhattan Check Clearing beats the clock!



1. AT 3:30 A. M. an incoming plane lands at LaGuardia Field. Mail is quickly unloaded, rushed down runways to airport post office for sorting and picking up by a carrier service.



2. BY 4:30 remittance letters are speeding across the Triboro Bridge headed for the New York Clearing House—just around the corner from Chase Manhattan headquarters.



3. AT 5:20 Chase Manhattan messengers pick up correspondent bank remittance letters at the Clearing House, rush them to Chase Manhattan's waiting nightworkers for processing.



4. 10 MINUTES LATER agile fingers and high-speed machines are clearing incoming checks. Carefully trained, highly efficient Chase Manhattan people work three shifts around the clock.



5. JUST AFTER 6:00 A. M. Chase Manhattan correspondent checks are completely processed and ready to be delivered to member banks at the New York Clearing House or shipped out of town.

Pictures show fast collection features . . . minute-by-minute movement of incoming remittance letters

Top-speed check clearing is one of the most important services The Chase Manhattan Bank performs for its correspondents.

As these on-the-spot illustrations of just one of many daily collections show, float time is practically nil.

Twenty-four-hour clearing service, backed by experienced personnel working with efficient business machines, makes this fast collection feature possible.

If you are not already acquainted with Chase Manhattan's Check Clearing Service, we invite your inquiry.

Write to 18 Pine Street, New York 15, for full information about our Check Clearing Service—an other good example of why it pays to do business with Chase Manhattan.

THE
CHASE
MANHATTAN
BANK

(MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION)

COLOMBIA



Efficient Services through

BANCO DE BOGOTA

Oldest established and largest Bank in Colombia
MARTIN DEL CORRAL, PRESIDENT

- Special attention to collections
- Accurate and dependable credit information service

TOTAL ASSETS:

More than \$520 Million Pesos
(Approximately US. \$208,000,000)

TOTAL COLOMBIAN FOREIGN BUSINESS:

Imports	Exports
---------	---------

1953: US. \$ 488,661,051	US. \$ 531,452,635
1954: US. \$ 650,626,000	US. \$ 636,359,000



105 BRANCHES

BANCO DE BOGOTA

ESTABLISHED 1870 * BOGOTA, COLOMBIA S. A.

Scudder
Stevens
& Clark
Fund, Inc.



ESTABLISHED
IN 1928

Prospectus on request:

10 Post Office Square
Boston 9, Massachusetts

One Wall Street
New York 5, New York

117 South 17th Street
Philadelphia 3, Pa.

8 So. Michigan Avenue
Chicago 3, Illinois

(CONTINUED FROM PAGE 103)
decisions and changes are made. It is imperative that the banker not be guilty of a "hot" and "cold" agricultural philosophy. On a few occasions, some bankers have operated on an "in again—out again" basis in agriculture. You can be sure farm customers and farm people generally recognize this practice where it has developed. You can also be sure that when a bank follows this "hot" and "cold" agricultural philosophy, that farm people do not soon forget it, contributing to bad farm public relations for the bank concerned.

This question reemphasizes the importance of having in the bank at all times someone who understands the farmer's problems and opportunities, and who is ready and able to work with him to take advantage of those opportunities.

Job Ahead

Much of the future progress to be made in agriculture by our farm customers is dependent on how well we as bankers, supplying capital, are able to team up with the Federal and state agricultural representatives who supply research and educational know-how. We must have this "teamwork" in the ever changing field of agriculture if we are to assist our farm customers in a mutually efficient and profitable manner.

If we, as bankers, carry out our part of the job of over-all agricultural programming in the most effective and efficient way available to us, there will be unlimited opportunities ahead to increase and better our service to our farm customers through cooperation with Federal and state agricultural representatives. The opportunity is here, if we will but take advantage of it.

If a husband is smart enough to play second fiddle, he will have real harmony at home.

*There is no such thing as a secret.
Either it is too good to keep or not
worth keeping.*

A man may be on the right road and get run over if he just sits still.

*One advantage a poor man has
is that he never leaves his car keys
in his other pants.*

Policy
reher
Liabil
• Dwe
Farmers' Comp
Garage Liability
Limited Theft •
and Permit • Ma
Open Stock • Me
Securities (broad
and Robbery • Pay
• Primary Commerce
and Outside Theft

B
Sto
• Va
and R
• Valuc
• Valuc

**ABA Standard Form Bank Burglary and Robbery
Accounts Receivable • Armored Car and Messen**

- Automobile • Bankers' and Brokers' Blanket
- Builders' Risk • Business Interruption • Bus Combination Safe Depository • Comprehensive Dishonesty, Disappearance and Destruction
- Comprehensive Dwelling Policy • Comprehensive General and Automobile Liability
- Comprehensive General Liability • Comprehensive Personal Liability • Contractors' Equipment
- Depositors' Forgery • Druggists' Liability
- thquake • Employers' Liability • Explosion •
- ensive Personal Liability • Fire and Lightning •
- Homeowners' "A", "B" and "C" • Householder
- wlers' Block • Jewelry Fur Floater • License
- acturers' and Employers' Liability • Mercantile
- Robbery and Safe Burglary • Money and
- Motor Truck Cargo • Office Burglary
- ster Robbery • Personal Property Floater
- Blanket • Professional Liability • Residence
- chedule Accide

Contractors'
Securities
Sprinkler
keepers'
bergy C
pply
ers

*Consult your insurance
agent or broker as
you would your
doctor or lawyer*

U.S.F.&G.

CASUALTY-FIRE-MARINE INSURANCE
FIDELITY-SURETY BONDS

United States Fidelity & Guaranty Co., Baltimore 3, Md. • Fidelity Insurance Co. of Canada,
Toronto • Fidelity & Guaranty Insurance Underwriters, Inc., Baltimore 3, Md.

**The EASIEST
Payment System to Use**

HERE'S WHY...

No matter what plan you have been using for handling Instalment Loans, you handle them easier with Allison Coupon Books.

PAYMENTS IN PERSON are received *without* reference to loan ledgers.

MAIL PAYMENTS are processed *without* expense of mailing back passbooks.

ALL POSTING is done at one time *without* wasting time and motion.

"Simplicity" is the word that best describes the Allison Coupon system. To you, this simplicity means freedom from detail PLUS savings at every step in getting business and liquidating accounts.

It is always a good idea to find out all about the most widely-used system in your field. In the field of loan collection systems, that means Allison.

Write today for complete information about this time-saving system. No cost. No obligation.

ALLISON COUPON COMPANY, INC.

P. O. BOX 102 • INDIANAPOLIS 6, INDIANA



*An Investment
in Efficiency*

Government Bonds

(CONTINUED FROM PAGE 55)

to make sure that its offering would be taken so that only a very small percentage of the holders of the maturities would demand cash at maturity. Hence the rate and the maturity of the new issue or issues had to be geared closely to the market at the time the offering was made, and had to err on the side of generosity if at all.

Sometime before the year's end new cash will be needed. Whatever the amount it seemed certain that it will be obtained by an offering of new TA certificates to mature March 22, 1956. Not over \$1-billion, if that, will be needed.

Market for Governments Couldn't See Tighter Money

On a price basis alone the market for Government securities during October flatly denied the possibility of tighter money. All three segments of the market—short, intermediate, and long—were strong.

In the short-term area, the continued demand for Treasury bills from other than banking sources outran the supply.

In the long-term area investment funds continued to take blocks of bonds from time to time and here again the supply was limited. To get the bonds, bids had to be raised.

In the intermediate-term area there appeared to be considerable trading for tax advantages and these seem to involve a willingness to extend maturity somewhat.

The fellow who is a spendthrift while he courts the girl will probably have to be a miser after he marries her.

Every year we resolve to take our vacation early to avoid the people taking their vacations late to avoid us.

If you are thin, the doctor says, "Don't eat fast." If you're fat, he says, "Don't eat. Fast."

The fact that Congress is no better and no worse than the country is something to worry about.

There are a great many books now on how to live longer but none on why.

Private Placement of Corporate Issues

General Finance Corporation
\$12,000,000
Ten Year 3 1/2% Promissory Notes due June 15, 1965

Associates Investment Company
\$10,000,000
due January 1, 1969

C.I.T. Financial Corporation
\$50,000,000
Eight Year 3 1/4% Promissory Notes due July 15, 1963

The Western Union Telegraph Company
\$38,500,000
Twenty-five Year 4 1/8% Debentures, Series 1 due June 1, 1980

Securities Acceptance Corporation
\$5,000,000
3.50% Promissory Notes due August 15, 1965

Libby, McNeill & Libby
\$15,000,000 Twenty-five Year 3 1/2% Sinking Fund Debentures due May 15, 1979
\$10,000,000 5 1/4% Cumulative Preferred Stock (\$100 Par Value Per Share) Price 100

Associates Investment Company
\$25,000,000 3 1/4% Promissory Notes due February 15, 1970
\$12,000,000 3 1/4% Subordinated Notes due October 1, 1968

SALOMON BROS. & HUTZLER

Dealers and Underwriters of High-Grade Securities

Members New York Stock Exchange

SIXTY WALL STREET, NEW YORK 5, N. Y.

BOSTON

PHILADELPHIA

CLEVELAND

CHICAGO

SAN FRANCISCO

DALLAS

WEST PALM BEACH



VICTORY AT SEA

Here's why one advertiser
signed for a **SECOND TIME...**

"It gives us a great deal of pleasure to present this outstanding film series . . . a second time," said Carl D. Mullican, Jr., Director of Advertising, Mississippi Power & Light Company. "No other program . . . has brought us the consistently enthusiastic response which 'Victory' did during its first presentation.

"Judging by the number of requests for another opportunity to view the series, we are confident of the same degree of enthusiasm during the second."

The popularity and selling power of VICTORY AT SEA have been recognized by more than 25 banks and utility companies. This series of twenty-six exciting half hours has proved its ability to establish company identification, build prestige and goodwill, and sell services. For an audition print and prices in *your* markets, phone, wire or write today.

NBC FILM DIVISION

serving all sponsors . . . serving all stations

30 Rockefeller Plaza, New York 20, N. Y. Merchandise Mart,
Chicago, Ill. Sunset and Vine, Hollywood, Calif. In Canada:
RCA Victor, 225 Mutual St., Toronto; 1551 Bishop St., Montreal

Trust Conference

(CONTINUED FROM PAGE 90)

of the beneficiaries. Due to their complexity and the fact that the regulations have not yet been issued, it is really too soon to attempt to deal adequately with them. We will just need time, as to what might be said, in which to digest them for the writing of trusts."

Tax Laws Force Growth of Trust Departments

Bank trust departments are going to grow "because of our tax laws," according to Noel L. Mills, vice-president and trust officer of the Deposit Guaranty Bank and Trust Company, Jackson, Miss.

"These tax laws," Mr. Mills declared, "allow certain sheltered positions—positions which are advantageous to the pocketbook of each man, woman, and child. They are not automatic, however. They come because of the affirmative step taken by an individual through a bank trust department."

Stephenson Reminisces

Gilbert T. Stephenson, retired Director of Trust Research of The Graduate School of Banking, reminisced on "Trust Institutions and Trustmen as I Have Known Them Over 35 Years." Many well-known trustmen were mentioned by Mr. Stephenson. "Under these leaders," he declared, "and their lieutenants (and every leader must have his lieutenants) during the past 35 years the trust business has been on the march. The distance it has come since 1920 need be only an earnest of the distance it can go by 1990. Then will be the beginning of the decade in which, in 1996, the Trust Division will celebrate its 100th anniversary. I hope that one of you, now in your 30s, then in your 70s, will tell of leaders you will have known in your day, and that yours will have excelled ours by far. But, remember, the shoulders of our leaders will have been the throne of yours."

"The Good Trustee"

"Insofar as the people of the United States delegate to their Government the authority to do things for them which they cannot do for themselves, it is their trustee," said Mrs. Oveta Culp Hobby, president of



Where does the banker bank?

Over 700 of them bank with First of Atlanta. They choose the bank that knows their problems, and how to meet them. If your customers have problems about the dynamic new South, first check the folks who know the South ...

THE *First* NATIONAL BANK OF ATLANTA



MAIL TODAY

The First National Bank
Atlanta 2, Georgia

Dept. H-5

Customer of mine wants to know what the South has to offer him. Rush me information on _____

Name _____

Address _____

City _____ Zone _____ State _____

the Houston Post and former Secretary of Health, Education and Welfare. "It cannot," said Mrs. Hobby, "delegate the performance of these duties to others. Above all, it cannot act on its own behalf. And as a trustee, it is accountable to the people it serves.

"The good trustee does for those he serves that which they cannot do for themselves. He also works to preserve and build up that with which he is entrusted.

"The good trustee does not go beyond the boundary of his trustee-

ship.... A good trustee will seek to help those for whom he is responsible only when they need help. He will not make decisions for them, he will not run their lives for them, he will not push people around on the pretext of aiding them to do better what they are already capable of doing for themselves.

Mindful of Broad Intentions

"The good trustee in public as well as private life is conscientious in the performance of his duty not merely in matters of detail. He is

also mindful of the broad intention of those who vested him with the responsibility for action.

"A free society in its best and most effective sense is the embodiment of many well-executed trusteeships. As citizens, we are all trustees charged with the duty of preserving our freedom for ourselves and for those who come after us.

"You as trustees know that an estate may wither away through lack of attention. We all as citizens should be always aware that if we fail in our responsibility to act as trustees for freedom, it, too, may be lost to us."

IMPERIAL BANK OF CANADA

81ST ANNUAL STATEMENT

CAPITAL \$10,000,000 REST ACCOUNT \$22,000,000

YEAR ENDING OCTOBER 31, 1955

ASSETS

Notes of and deposits with Bank of Canada.....	\$ 54,691,722
Cheques and other items in transit, net.....	61,043,481
Other cash and deposits.....	20,532,623
Government of Canada and provincial government securities, not exceeding market value.....	224,556,912
Other securities, not exceeding market value.....	34,511,945
Call loans, secured.....	12,857,543
TOTAL QUICK ASSETS.....	\$408,194,226
Other current loans, less provision for estimated loss.....	359,666,116
Mortgages and hypothecals insured under the National Housing Act, 1954, less provision for estimated loss.....	10,523,484
Customers' liability under acceptances, guarantees and letters of credit, as per contra.....	9,713,137
Bank premises.....	4,739,181
Shares of and loans to corporation controlled by the bank.....	2,774,089
Other assets.....	95,188
	\$795,705,421

LIABILITIES

Deposits.....	\$750,621,904
Acceptances, guarantees and letters of credit.....	9,713,137
Other liabilities.....	1,629,959
TOTAL LIABILITIES TO THE PUBLIC.....	\$761,965,000
Capital, rest account and undivided profits.....	33,740,421
	\$795,705,421

STATEMENT OF UNDIVIDED PROFITS

Balance of profit for the year before provision for income taxes but after making transfers to inner reserves out of which full provision has been made for diminution in value of investments and loans.....	\$ 4,173,496
Provision for income taxes thereon.....	1,990,000
Balance available for distribution.....	\$ 2,183,496
Dividends at the rate of \$1.20 per share.....	\$1,088,003
Bonus of 40c. per share payable December 1, 1955.....	399.733
Amount carried forward.....	\$ 695,760
Balance of undivided profits October 31, 1954.....	1,066,029
Balance of undivided profits October 31, 1955.....	\$ 1,761,789

REST ACCOUNT

Balance at credit of account October 31, 1954.....	\$ 15,000,000
Transferred from tax paid reserves.....	400,000
Premium on capital stock subscriptions.....	6,585,310
Balance at credit of account October 31, 1955.....	\$ 21,985,310

L. S. MACKERSY
President

J. S. PROCTOR
Vice-President and General Manager

IMPERIAL 'the bank that service built'

Welman Endorsed for Vice-presidency

THE Missouri Bankers Association, by unanimous vote of its Council of Administration, is pledged to active support of its past president, Joseph C. Welman, president of the Bank of Kennett, for the office of vice-president of the American Bankers Association at the Los Angeles convention in 1956.

Mr. Welman was president of the MBA in 1948-49, and has served either as chairman or a member of nearly all its important committees. He has been a member of several A.B.A. committees, and is presently chairman of the A.B.A. Country Bank Operations Commission.

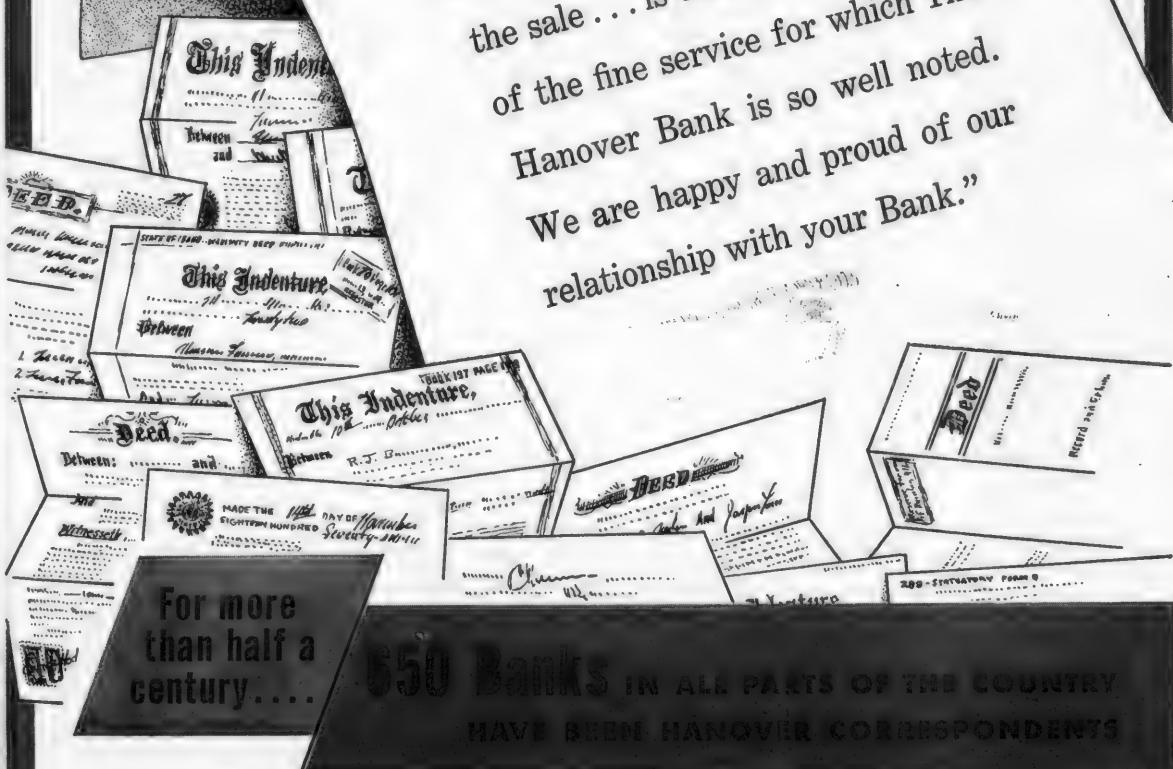
Mr. Welman has had a distinguished career, both as head of his \$9,000,000 bank and in state and national bank association activities.

Mr. Welman



Regarding a property sale... a Florida Banker writes:

"The speed with which you handled
the sale . . . is certainly indicative
of the fine service for which The
Hanover Bank is so well noted.
We are happy and proud of our
relationship with your Bank."



A Bank  *is Known by the Correspondents it Keeps*

THE HANOVER BANK

Member Federal Deposit Insurance Corporation

THE
BIG
PAY-OUT
HELPS
BOTH
BANK
AND
BORROWER

FOR QUALITY PROPERTY INSURANCE, SEE YOUR HOMETOWN AGENT.

the bill came to \$2,042,803,288
(Over two billion dollars)

When it comes time to collect, you realize the value of good insurance.

Many thousands of people—homeowners, businessmen, farmers have made this discovery about The Home Insurance Company. Through the burning of cities, windstorms and other disasters, The Home has paid—big losses and small—promptly and fairly. The value of the services of The Home can be measured by the size of the bill—over two billion dollars paid out in losses since 1853.

Equally important have been the human, devoted and skilled services of the agents of The Home. Without them, this record could never have been attained.

For your protection, it's wise to see your own Home agent.

THE HOME
ORGANIZED 1853

Home Office: 59 Maiden Lane, New York 8, N.Y.
FIRE • AUTOMOBILE • MARINE
The Home Indemnity Company, an affiliate, writes Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Advertising like the above keeps your customers continuously informed about the value of Home's quality protection. Of course, it is in the interest of both bank and borrower to have the *very best* insurance available.

Property for Gifts

(CONTINUED FROM PAGE 52)

prevents assignments of next year's bonus or of fees or commissions, earned but not yet paid. Nor will gifts of next year's trust income or future rents or dividends be recognized for tax purposes. *Harrison v. Shaffner*, 312 U.S. 579 (1941).

On the other hand, it is well settled that, if a capital asset is given, the tax on the later received income will fall on the donee. This is true even though much of the gain is attributable to the period when the property was still in the hands of the donor. Stock may be given away just before an extraordinary cash dividend is to be paid. The entire capital gain on a capital asset that cost the donor \$10, was worth \$90 when given, and is sold for \$100, is taxable solely to the donee. These rules frequently furnish substantial tax saving opportunities.

There is one exception to the general rule that gifts of future income will not be recognized for tax purposes. A 10-year trust, income to the donee, capital to return to the donor at the end of the 10-year period, will, under the new Code, effectively shift the tax to the donee. I.R.C. Sec. 673.

This offers attractive savings to limited groups who have no real interest in estate tax savings or who hesitate to part irrevocably and finally with their capital. The relatively young man of wealth; the high salaried executive with limited capital; the individual whose principal source of income is a life estate in real property or a trust—none of these people is immediately troubled by death taxes. They are looking only for relief from the heavy burden of high income tax brackets.

To take a concrete example: Jones is a top executive with salary of \$60,000 and capital assets of \$150,000. He is married and 55 years of age. Once he retires, his capital and the income it produces will be really important to him. But at the moment the heavy income tax drain (\$3,600 after the dividend credit on the \$6,000 his capital produces) is his big concern. He can create, under the new Code provisions, three 10-year trusts of his capital, income

(CONTINUED ON PAGE 122)

No
im
ec
by
ab
an
so
lis
wi
su
ne

T

De



National's **new** window posting machine
creates savings for banks of all sizes!

Now, banks of *all sizes* can profit by improved customer service and more economical record-keeping provided by the NEW NATIONAL "42".

Never before have banks been able to have all savings, mortgage, and loan records posted—so easily, so promptly, so economically.

This NEW NATIONAL "42" establishes new high standards for bank window posting equipment—the result of intensive consideration of the needs and conveniences of depositor

and teller, and the working requirements of the bank.

Although the NEW NATIONAL "42" was especially designed to provide the most economical means for posting and controlling transactions at the teller's window, it can be used advantageously at *any other place* in the bank where it is desired to create *three original records* . . . (1) customer's passbook (or statement), (2) ledger (or posting medium) and (3) journal . . . all in the same posting operation.

The NATIONAL "42" is exclusively NEW in design. It applies new techniques to the many basic principles which years of experience have proved are indispensable for prompt customer service and for the effective control so essential to efficient bank management.

*TRADE MARK REG. U. S. PAT. OFF.

National
ACCOUNTING MACHINES
ADDING MACHINES • CASH REGISTERS

THE NATIONAL CASH REGISTER COMPANY, Dayton 9, Ohio
977 OFFICES IN 94 COUNTRIES

"handsome addition to business district"

says George S. Eccles



First Security Bank of Utah
NATIONAL ASSOCIATION
MAIN AT FIRST SOUTH BRANCH
SALT LAKE CITY, UTAH

September 22, 1955

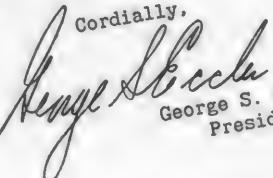
Mr. Joseph B. Gander, President
Bank Building & Equipment Corporation of America
Ninth and Sidney Streets
St. Louis, Missouri

Dear Mr. Gander:

We are extremely proud of the appearance of the new modern First Security Building which your firm designed for us. The clean, straight lines of the structure, together with the use of modern, colorful materials, combine to present a pleasing and dramatic effect. In our banking quarters you have combined light, color and contemporary design with the requirements of modern banking to achieve a most charming and practical result.

At our recent public opening thousands of visitors were enthusiastic in their praise of the building and we are sure the community generally is proud to have such a handsome addition to the business district of our growing city.

Cordially,


George S. Eccles
President

MEMBER FIRST SECURITY CORPORATION SYSTEM
LARGEST INTERMOUNTAIN BANKING ORGANIZATION

Bank Building Corporation

OF AMERICA

Creators of America's finest banks and office buildings

Headquarters: ST. LOUIS, 9TH & SIDNEY STREETS • Offices in: ATLANTA,
WESTERN UNION BLDG.; CHICAGO, 333 NORTH MICHIGAN; MIAMI, 5204 WEST
FLAGLER; NEW YORK, 103 PARK AVENUE; SAN FRANCISCO, 275 POST STREET
Operating Outside the Continental U. S. as: BANK BUILDING CORPORATION
INTERNATIONAL • Operating in Mexico as: EDIFICIOS PARA BANCOS

First Security Bank
Utah Building
Designed By:
Utah Building
Corporation of
America
President Architect:
Rock W. Winburn
General Contractors:
Utah Construction
Company



FIRST SECURITY BANK

FIRST SECURITY BANK

We invite you to visit us in St. Louis.
Take a trip through our plant . . . see how
the world's largest organization of financial
building specialists carries a project
through from preliminary sketch to final
details of completion.

FREE

If you're contemplating
new banking quarters send
for your complimentary
copy of this new portfolio,
"Banker's Guide to Profitable
New Quarters."



Mr. J. B. Gander, President
BANK BUILDING AND EQUIPMENT CORPORATION OF AMERICA
9th and Sidney Streets, St. Louis, Mo.

Send my free copy of: "BANKER'S GUIDE TO PROFITABLE NEW QUARTERS"

On or about:

we contemplate:

Name _____

Title _____

Bank _____

City and State _____

NEW
BUILDING

MODERNIZED
QUARTERS

NEW
FIXTURES

MODERNIZED
FIXTURES



*functional
beauty* through
CUSTOM-DESIGN



Bank Counter Equipment in the modern manner.

In harmony with building designs and interior plans, our engineers and skilled metal craftsmen create and develop counter equipment to meet architects' specifications.

Typical WATSON Installations:

Republic National Bank, Dallas, Texas
Seamens Bank For Savings, New York City



WATSON,—Contract Specialists for nearly three-quarters of a Century, have one of the most diversified production outputs in the Metal Furniture Industry, supplying: office equipment and furniture for hospitals, courthouses, and public buildings; ship furniture; electronics chassis and cabinets; and

ROL-DEX record handling equipment for:

CONSUMER CREDIT

CHECK FILING

CENTRAL FILES

BOOKKEEPING DEPT.

and other active bank records.

**CANADA'S
FIRST
BANK**



650 BRANCHES ACROSS CANADA • RESOURCES EXCEED \$2,500,000,000



BANK OF MONTREAL

New York--64 Wall Street San Francisco--333 California Street
Chicago: Special Representative's Office, 141 West Jackson Blvd.



COAST-TO-COAST

(CONTINUED FROM PAGE 118)

to be accumulated for his three children or used to pay insurance premiums on policies on their lives, corpus to be returned to him at 65 and the accumulations or the policies delivered to his children. Such a gift has a gift tax value of about \$45,000—well within his and his wife's lifetime exemptions. The trusts over the 10-year period will pay in income taxes \$9,600, whereas if he retains the assets during this period he will pay in taxes \$36,000. Thus he can build for his children a fund of \$50,000 at net loss of income to him of \$24,000.

Property Burdened with Loans

Occasionally a donor will want to give away property on which he has borrowed a substantial sum. More frequently the loan will be incurred as a method of paying the tax on a contemplated gift. Thus a widow desiring to make a \$300,000 gift to her daughter but not wanting to pay the \$72,000 gift tax will borrow from her bank, using the intended gift assets as security. Under such a plan she need borrow only \$56,000, since the value of the assets will be reduced by the amount of the loan with which they are burdened. Her thought will be that the income from the property given will be used by the donee to liquidate the indebtedness. While, under some circumstances, such plans may be attractive, there are pitfalls. The loan should be on the collateral only, without personal responsibility on the donor. If the donor is personally liable and particularly if there is an agreement by the donee to repay, then the donor would seem to have reserved the income for a period which might not in fact end before her death. This creates the possibility that the property given may be included as part of the donor's taxable estate should she die before the loan is fully repaid. I.R.C. Sec. 2036. Therefore, it is preferable to give the property *subject* to the loan, and without any requirement that it be repaid. Furthermore, the donor's liability on the loan ought to be limited to the collateral.

Property of Uncertain Value

Property which is difficult to value due to the absence of a ready market, such as interests in closely held businesses, may be unsuitable for

gift purposes. The donor may wish to keep within his exemption and exclusions or to estimate with some degree of certainty the tax he is likely to incur. Suppose he uses stock subject to a repurchase option or himself creates a repurchase option. For example, a father may transfer stock to his daughter subject to the restriction that she may not sell it without first offering it to him at a stated amount, such as \$30 a share. Such an option will have little effect on the gift tax value. While the Commissioner may not ignore it, since under all circumstances it will depress the value to some extent, he may find that it has very little depressing effect because of other factors, such as its dividend-paying capacity. Worcester County Trust Co. v. Commissioner 134 F. 2d 578 (1943). While it is possible, under some circumstances, to freeze the estate tax value through use of restrictive agreements,¹ this device is not effective in the gift tax field.

Conclusion

Lifetime gifts may be effectively used to save estate taxes and reduce income taxes within the family group. To achieve the maximum permissible minimization in both taxes, however, care must be used in the type and character of the property selected. Too often a donor will center his attention on the tax tables alone without fully exploring the pitfalls and the advantages that one asset he owns may have as compared with another.

¹See Bowe, *Tax Planning for Estates*, 1955 Revision, pages 89-96.

It's early to bed and early to rise, and then you'll have money to do otherwise.

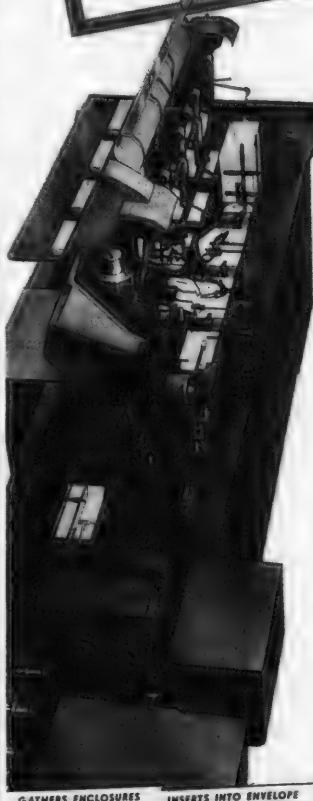
It isn't easy to keep your mouth and your mind open at the same time.

It is better to wait for the green light than for the ambulance.

It is a strange fact that there is no connection between what a man knows and the time it takes him to tell it.

BIG SAVINGS for SMALL MAILERS with INSERTING & MAILING MACHINE

of course
**BIG MASS MAILERS
BENEFIT, TOO!**



You don't have to be a big mailer to gain important savings with Inserting & Mailing Machine. One small mailer, using his machine only 5½ hours a month, saves over \$2,000 a year — 86% of former manual costs. And he's doing more mailing now because of the ease, speed and complete control he has gained. The machine will pay for itself in less than 3 years. Proportionate savings are reported by big mailers, even as high as 92%, with the machine paying for itself in 7 months!

Inserting & Mailing Machine gathers up to 8 enclosures, stuffs, seals, meters postage or prints indicia, counts and stacks, without human intervention, at the rate of 3,500 to 4,500 per hour. One operator does the whole job.

See the magic of automation applied to mailing preparation. Read the detailed report of a small mailer. Use the coupon.

INSERTING AND MAILING MACHINE CO.

PHILLIPSBURG NEW JERSEY

GATHERS ENCLUSES INSERTS INTO ENVELOPE SEALS ENVELOPE PRINTS POSTAGE INDICIA COUNTS & STACKS



B-12
INSERTING AND MAILING MACHINE CO.
Phillipsburg, New Jersey

Send me "How Small Can a Mailer Be?"
 Please arrange a demonstration in my locality.

We mail _____ M per _____

Name _____

Firm _____

Address _____

City _____ Zone _____ State _____

First Pennsylvania Holds Conference

CAPITAL expenditures up 10% to 15% next year; department store sales up for Christmas and

Easter; gross national product rising to \$400-billion in 1956. These were foreseen by Dr. Lionel D. Edie,

economist, in addressing the 550 bankers at the correspondent meeting of the FIRST PENNSYLVANIA BANKING AND TRUST CO., Philadelphia.

This was the first correspondent meeting of FIRST PENNSYLVANIA. Pennsylvania Company and First National had each held meetings over a period of about 12 years—this was the first held by the combined institution.

Dr. Edie could see only a couple of weak spots in the 1956 picture: a decline in production of passenger cars, and in housing starts.

Brigadier General David Sarnoff addressed a luncheon meeting. He said that RCA will produce this year in excess of a billion dollars in products and services, 81% of which didn't exist or weren't on the market 10 years ago. Ten years hence, he says, 80% of output will likely be in goods and services and don't exist now.



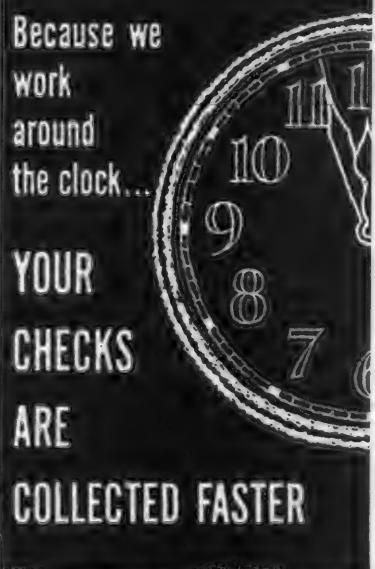
**Established
1890**

Our 66th year

**SERVING SOUTHERN CALIFORNIA
COMMERCE AND INDUSTRY**

CITIZENS NATIONAL
TRUST AND SAVINGS
BANK
OF LOS ANGELES

HEAD OFFICE: 5th & Spring Streets
36 Convenient Branch Offices
Member Federal Reserve System
Member Federal Deposit Insurance Corp.



**THE NATIONAL CITY
BANK of Cleveland**



623 Euclid Ave.

Member Federal Deposit Insurance Corporation



THE TEXAS COMPANY

— 213th —
*Consecutive Dividend
and Extra Dividend*

A regular quarterly dividend of ninety cents (90¢) per share and an Extra dividend of one dollar and ten cents (\$1.10) per share on the Capital Stock of the Company have been declared this day, payable on December 10, 1955, to stockholders of record at the close of business on November 4, 1955. The stock transfer books will remain open.

S. T. CROSSLAND

Vice President & Treasurer

October 28, 1955



Try This on Your Goat

OUR "Around Our Bank" Columnist Belle S. Hamilton recently included this tid-bit on goat food in her "Tell-Tale-Teller" column in the *Daily Commercial*, Leesburg, Fla.:

"All our life we've heard that goats love to eat tin cans and practically anything else that isn't tied down; but it remains for one Doctor Jonas Kamlet to offer these rambunctious animals a new and completely different diet . . . Doctor Kamlet, says the 'Home Bank Notes' of the Jefferson (Iowa) Home Bank, has developed and patented a new feed for goats based on—all of all things—old newspapers! . . . It is flavored with molasses (and, of course, printers' ink) and the animals appear to enjoy it and thrive on it . . . We hope that the manufacturers of this new food-stuff are careful about the news content of these papers—especially any unusually lurid headlines . . . Some of them would upset even a goat's constitution."

The "Tell-Tale-Teller" column is run regularly as a paid advertisement by the First National Bank of Leesburg.

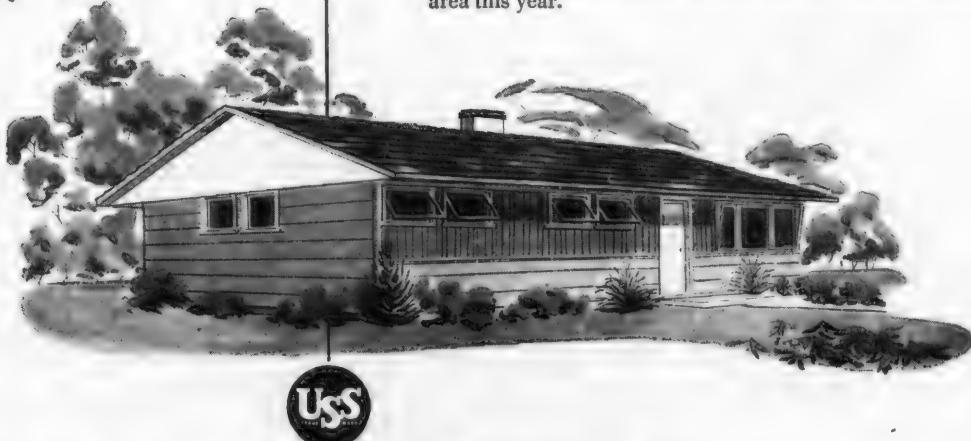
Performance has earned Approval



for homes manufactured by
United States Steel Homes, Inc.

The products of United States Steel Homes have won overwhelming approval wherever their quality, performance, and construction have been examined. They have been erected in 44 states and now carry the approval of every state and municipality that operates under a performance code. They are accepted by the Southern Building Code Congress, without reservation, and can be erected even in coastal areas in full compliance with the code. They meet every performance requirement of the Building Officials Conference of America, the Pacific Coast Building Officials Conference, and the New York State Code Commission. After careful inspection, *Parents' Magazine* has awarded them its Seal of Commendation.

This nationwide approval assures you that any product of United States Steel Homes is a good home—well designed, well built, and well received. And remember, it is built by an experienced local builder with a reputation for high grade construction. Write for complete information. You'll be seeing a lot of these homes in your area this year.



United States Steel Homes, Inc.

GENERAL OFFICES: NEW ALBANY, INDIANA

SUBSIDIARY OF UNITED STATES STEEL CORPORATION

Public Relations

(CONTINUED FROM PAGE 44)

with a coin or coins as a base, staged in a coin bank showcase. "Open a trust account for the baby who trusts in you; coins saved today will build a bright tomorrow," read the program.

PBA Boosts State

PENNSYLVANIA BANKERS ASSOCIATION'S current educational campaign is keyed to the slogan: "Pennsylvania has everything—Pennsyl-

vania banks help you make the most of it!"

This latest phase of PBA's long-range program for encouraging a broad understanding of the American banking system reaches the public through bank lobby and window posters, folders, and newspaper ad mats. All three show typical Pennsylvania people and industries on an outline map of the state. The heart of the message is:

"The 'common wealth' in the Commonwealth of Pennsylvania is the product of all its people and industries working side by side . . . Penn-

sylvania's 850 banks work with its people, its commerce and its industry, providing the many financial services on which our economy depends to keep it humming."

Scholarship Program

THE MORRISTOWN (N. J.) TRUST COMPANY has established an annual \$2,000 scholarship, open to preparatory and high school graduates.

One of the four-year "Morristown Trust Anniversary Scholarships" will be awarded competitively each May, starting in 1956, by a committee of New Jersey secondary school and college officials. The winner can use the \$2,000 at any accredited college or university.

The bank's directors said the purpose was "to demonstrate Morristown Trust's direct interest in educational goals.

"As a business enterprise with public trust, this bank shares responsibility for the encouragement of higher education and enlightened citizenship within the communities it serves," the board stated. The company has four offices in Morristown, Morris Plains and Denville.

Founded in 1892, the bank calls its first award "The Morristown Trust 63rd Anniversary Scholarship." The \$2,000 award planned for May 1957 will be known as the 64th.

"We expect our program to be a permanent service to Morris County youth," said President George Munsick, who announced the plan. "Accordingly we plan a similar scholarship each year; however, the bank cannot assume the continuance of this program as a commitment."

Give-away Technique

To get the best results from give-away items, pay careful attention not only to what is being offered, but how it's given, says the ELIZABETHPORT BANKING COMPANY, of Elizabeth, N. J.

FPRA Convention

BANKING'S report of the Financial Public Relations Association 40th annual convention, at the Hollywood Beach Hotel, Hollywood, Fla., November 13-17, will appear in the January issue.

OLD REPUBLIC
CREDIT LIFE INSURANCE COMPANY
James H. Jarrell, President
307 N. Michigan Avenue, Chicago 1, Illinois

This bank had been distributing to new residents, via the "Welcome Wagon," automatic calendar banks that cost about \$1.25.

"Although the item was well received," it reports, "there were certain disadvantages: (1) the unit cost was high; (2) the give-away did not encourage prospects to visit the bank; (3) the gift could not express the personal welcome the bank wanted to convey; (4) it was impossible to describe fully the bank's services and facilities; (5) it was difficult to gauge the effectiveness of this means of attracting new accounts.

"To overcome the limitations of the give-away and to make the best use of it, we designed a handsome four-page folder containing an informal letter of welcome and a photograph of President C. R. Sandford, a listing of the bank's services and facilities, and a map of the business district showing locations of our two offices. There was also a photograph of the automatic calendar bank, information about it, and an invitation to visit us and obtain one at no charge.

"Since distribution of the welcoming folder began there have been many personal requests for the banks."

Historical Leaflets

ACH month the HILLSIDE (N. J.) NATIONAL BANK mails with its statements a leaflet, prepared by a staff member, covering a phase of the township's history.



The National Bank of Commerce in Jefferson Parish, newly organized affiliate of The National Bank of Commerce in New Orleans, sent "Founder Shareholder" certificates to its stockholders. "By recognizing both large and small stockholders as actual founders," said Dale Graham, president of both banks, "we hope that a great deal of goodwill and enthusiasm will be created for the new bank."

Subjects have included the development of Hillside schools, its churches, stores, recreation facilities, annual fair, and a story about the pond that is believed to have inspired *Hans Brinker, or the Silver Skates*.

The leaflets often carry a banking message. Customers say they like the series.

tion and gave the shares to the hospital and library.

"We have made these contributions in the interests of the community," said President Richard W. Havens. In helping to relieve the serious parking problem, he added, the bank had also given an interest in a piece of valuable real estate to two Jenkintown institutions.

In Brief

Junior Officer Conference

The Minnesota Bankers Association's 6th annual Junior Bank

IF YOU NEED ACCURATE INFORMATION ON COLOMBIA



U. S. industry is joining the parade of Colombian expansion . . .

- ★ Where new U. S. manufacturing plants are being established to tap Colombia's abundant markets.
- ★ Where new wealth is being extracted from Colombia's rich soil.
- ★ Where new business is being stimulated by friendly foreign trade relations between the U. S. and Colombia.

All this means that more and more banks are looking long and carefully at Colombia's continuing development when seeking correspondent relations in Latin America.

The reliable and responsible commercial and financial information supplied by the Banco Comercial Antioqueño is supported by our 43 years' experience growing with Colombia, and the complete facilities of our 37 offices located in every important commercial market of the country.

We invite your inquiries.

BANCO COMERCIAL ANTIOQUEÑO

Established 1912

Cable address for all offices — Bancoquia

Capital paid-up	\$21,205,712.50	Pesos Colombian.
Legal reserves	\$21,000,000.00	Pesos Colombian.
Other reserves	\$7,233,000.00	Pesos Colombian.

General Manager: Antonio Derka

Head Office: MEDELLIN, COLOMBIA, SOUTH AMERICA

BRANCHES: Armenia (C), Barrancabermeja, Barranquilla (3). BOGOTÁ (6), Bucaramanga, Cali (2), Cartagena, Cartago, Cúcuta, Girardot, Ibagué, Leticia, Magangué, Manizales, Medellín (3), Montería, Neiva, Palmira, Pasto, Pereira, Puerto Berrio, San Gil, Santa Marta, Sincelejo, Socorro, Vélez (S)
New York Representative — Henry Ludeké, 40 Exchange Place, New York 5, N. Y.

*Think of us
when you think of Japan*



THE MITSUBISHI BANK, LTD.

HEAD OFFICE: TOKYO JAPAN
BRANCHES: 155 throughout Japan
NEW YORK BRANCH:
111 Broadway, New York 6, N. Y.
LONDON REPRESENTATIVE OFFICE:
82, King William St, London, E.C. 4
Correspondents all over the world

BANK SIGNS in dignified bronze



Picture the name of your bank in enduring bronze and aluminum . . . the names of your personnel in handsome desk plate of the same dignified metal.

Let us show you how we can give you the very finest signs, desk plates and bulletin boards to suit your every need . . . at most economical prices.

Send for free illustrated catalog

FRANK J. BRADFORD
VICE PRESIDENT

DESK NAMEPLATES

2" x 10" one line of copy \$7.50
2 1/2" x 10" two lines of copy \$9.00
on bronze easel—other styles available

"Bronze Tablet Headquarters"

UNITED STATES BRONZE SIGN CO., Inc.
570 Broadway Dept. B New York 12, N. Y.

Officer and Staff Conference in Minneapolis provided an educational program for 550 young men and women. There were talks on many subjects: the farm price outlook, audit control, the A.I.B. and Wisconsin School of Banking programs, small bank operations, public relations. The social feature was a buffet dinner and dance.

Celebration

COMMERCIAL BANK & TRUST Co., Midland, Tex., had an extensive promotion for its new home. A newspaper display campaign called attention to the opening, and a special section of the local journal contained features about the bank and its building. At the open house there was a public drawing for a \$1,000 U. S. Savings Bond.

Contest

MEADOW BROOK NATIONAL BANK, West Hempstead, N. Y., offered a 21-inch color TV set to the customer who made the best guess as to the total dollar volume of deposits during a new business campaign.

Finance Forum

WEST HUDSON NATIONAL BANK of Harrison and Kearny, N. J., reports an "enthusiastic response" to its four-session women's finance forum. Subjects covered were life insurance and social security; wills and estates; real estate investments; the securities market.

"Back to School"

The Ohio City office of VAN WERT (O.) NATIONAL BANK publicized staff participation in educational programs by means of a "It's Back to School for Bankers, Too" window display of A.I.B. texts and BANKING.

This 7-foot car card will appear for one year in the Orlando, Fla., buses. It's estimated that about 75% of the riders will see the bank's message



Prizes for Ideas

STAFF prizes for ideas that improve The First National Bank of Arizona's services or operations have been announced by President Mont E. McMillen. A \$50 award will be made each month for the suggestion judged best by a committee. At the end of the year there'll be a grand prize of \$300 for the top suggestion, \$200 for second best and \$100 for third. Only staffers other than officers and supervisors are eligible, except that supervisors can compete when their suggestion applies to business unrelated to their departments.

"Special Dividend"

The New York Savings Bank announced a new dividend policy of 3% on one-year money with a booklet simulating a passbook.

Training Study

FINANCIAL PUBLIC RELATIONS ASSOCIATION has published "Administrative Training Programs for the Development of Executives," a report by Alexander B. Adams, assistant vice-president, Mellon National Bank & Trust Company, Pittsburgh.

Free Book Brings Business

LONG ISLAND TRUST COMPANY, Garden City, N. Y., added more than 700 new savings accounts in one month after offering a free book (cook or garden) to openers of new savings accounts of \$10 or over. The books were purchased in wholesale quantities from the publisher.

Remington Rand

BETTER BUSINESS METHODS

For Greater Profits
Through Lower Costs



New Sectional Sitting-Height Teller's Work Station For Installment Loan Departments

For Working Efficiency, Good Public and Employee Relations and Space Saving

Unlike custom-built counters, this new sectional counter unit of Remington Rand accommodates all facilities for small loan records in a teller's work station.

Its appearance is open and friendly. The teller always faces the customer, ready to serve... has complete facilities, and all needed machines, within arms reach — including the new typewriter pedestal for sending out notices and advices. It eliminates working at a desk with back to customer — the "extra" desk is eliminated! The teller works comfortably seated — ending the usual "standing," and the fatigue and errors which are bound to result. Customers are served more promptly, efficiently and courteously.

This new customer counter is

most economical and efficient. It reduces costs by centralizing customer contacts and records for installment loans within reach of the teller. The counter offers complete flexibility. Various units may be moved or additional units may be added as required to meet changing conditions.

The working side of the counter may be made up of standard certified insulated or uninsulated desk-height units and safes. A wide selection is available for any type of record or operation. Most important, these certified fire-insulated units protect counter-stored vital records, 24 hours a day, at their point-of-use.

Get the new illustrated booklet showing a full range of steel counter combinations and equipment. Circle SC764.

KARD-VEYER The All-New Mechanized Card Record File

Kard-Veyer is the *new* electrically powered card-file unit that cuts finding, posting and filing time to seconds. Here's an all-in-one, fatigue-reducing high output work station that saves profit dollars in time and space. Kard-Veyer houses from 16,000 to 40,000 record cards in sizes 8x5, 6x4, 5x3 and tabulating card size.



If your records-keeping operation includes a large, active card reference file, investigate Kard-Veyer today. Circle LBV706.

Remington Rand

DIVISION OF SPERRY RAND CORPORATION

| Room 2226, 315 Fourth Ave., New York 10 |

Kindly send literature circled:

SC764 LBV706

Name _____

Title _____

Bank _____

Address _____

City _____ Zone _____ State _____

B-23

Profit-Building IDEAS For Business

Operating Procedures

(CONTINUED FROM PAGE 42)

cult. Physical limitations of a bank frequently impose restrictions; but the question must be answered.

Who should do the work? This requires much study. Often highly skilled persons are handling work that could be done by lower cost personnel. There seems to be a fundamental instinct in some supervisors and officers to retain routine detail and thus perform at a level far below their capacities. Effective

operations improvement will locate these instances and attempt to correct them.

"Write Up" the New Procedure

When the new procedure has been determined, write it in permanent form, either in detail or outline. Written procedures insure not only uniform understanding of rules governing the conduct of the business, but special procedures for handling cash, loans, securities, etc.

Train the personnel thoroughly in the new method; sell the staffers on the change.

Periodic follow-up assures that the new procedure stays in effect and that changes in it are made only after thorough trial and with adequate approval.

"It is almost impossible," said Mr. Steele, "to hold the gain made under a work simplification program unless decisions are written down. The flow charts and step-by-step procedures developed in the process of analyzing jobs can become the procedures which govern operations in the future."

Central National has a set of manuals which have been of substantial aid toward standardization and work simplification. They are:

Operating bulletins. These set forth policies and procedures for operations in most departments.

Departmental procedures. These cover operations restricted to a single department.

Personnel bulletins: policies and procedures on the bank's relationship to its employees.

Information bulletins: used for such matters as warnings on stolen checks, operating methods of crooks, and temporary procedures that have not yet been placed in permanent form.

Operating department personnel are responsible for writing procedures governing existing operations. In the process, many work simplification improvements are made. Procedures covering new services or methods are written by the Planning Department, Mr. Steele asserted.

Cost Accounting

HERE'S George W. Meyer, assistant vice-president, American Trust Company, San Francisco, with a list of the main advantages any bank can get from cost accounting:

"(1.) Your item costs can tell you if your service charges are realistic. You may need analysis charges on your active commercial accounts to make them pay their way. Your savings account costs can tell you how much interest you can afford to pay on savings accounts. You may need service charges on those accounts for excessive withdrawal activity.

"(2.) Your loan costs can tell you if your interest rates are bringing an adequate return on your loans. You may be surprised how high your servicing costs are on your small instalment loans. You

*A Merry Christmas
to all of you
from all of us!*

THE COLORADO
INSURANCE
GROUP



We would like to take this opportunity to wish all of you and your families joy in the Holiday Season ahead, and to wish you happiness and prosperity in the new year.

CREDIT LIFE INSURANCE
DEBT CANCELLATION
FIRE INSURANCE
AUTOMOBILE INSURANCE



COLORADO CREDIT LIFE
COLORADO
INSURANCE COMPANY
COLORADO CREDIT
LIFE UNDERWRITERS

We invite your questions and requests for information in regard to our various forms of insurance. Wire or call collect to our home office in Boulder, Colorado.

may need minimum charges on these to break even. If your charges are not in line, it won't do you any good to cut your rates in order to get a greater volume, because then you will lose *more* money.

Avoiding "Give-away" Races

"(3.) Your functional profit and loss statements will show the comparative profit coming from your various services. Functional profit and loss statements, together with per item costs, will help you to keep from making a frequent mistake of indulging in a give-away race with your competition. The trust department is a frequent offender in this matter. Trust fees are often set by law and are unrealistic, compared to operating costs. Even though it is difficult, fees frequently can be changed, if you know your costs. This will reduce unrealistic bidding for trust accounts at a fee which can only result in a loss. There is often much unwanted competition between banks for this business. You don't want to overbid for business and lose your shirt.

"(4.) Your gross and net earnings rate on loans, investments, deposits and capital funds show the comparative yields on these items.

"(5.) The activity records developed for cost purposes can be helpful in supervising your operations. Analyzing the trends from year to year in your per item costs can also be very helpful in operating control.

"(6.) The time studies developed for per item costs can be used to establish personnel quotas.

Comparative Figures

"(7.) Your departmental costs can be used to compare the costs of alternative operating methods. Today many major changes are taking place in banking equipment. Smaller electronic computers are being designed. The very high speeds of this new equipment may make possible great savings in certain applications. In analyzing a possible change in operations, you should figure the new costs and compare them with your present costs. Cost information is necessary in order to do this. This information is also very helpful in system studies, in order to make comparisons between proposed methods of operation.

"(8.) Your departmental income and expense distribution can be used in budgeting.

"(9.) The management reports which can be prepared from cost accounting figures will be invaluable for management policy decision purposes. Costs are a tool to be used. It is not enough to obtain the information and consider that the job is done. Management needs this information, and should use it in order to make proper decisions."

Charge Expenses Properly

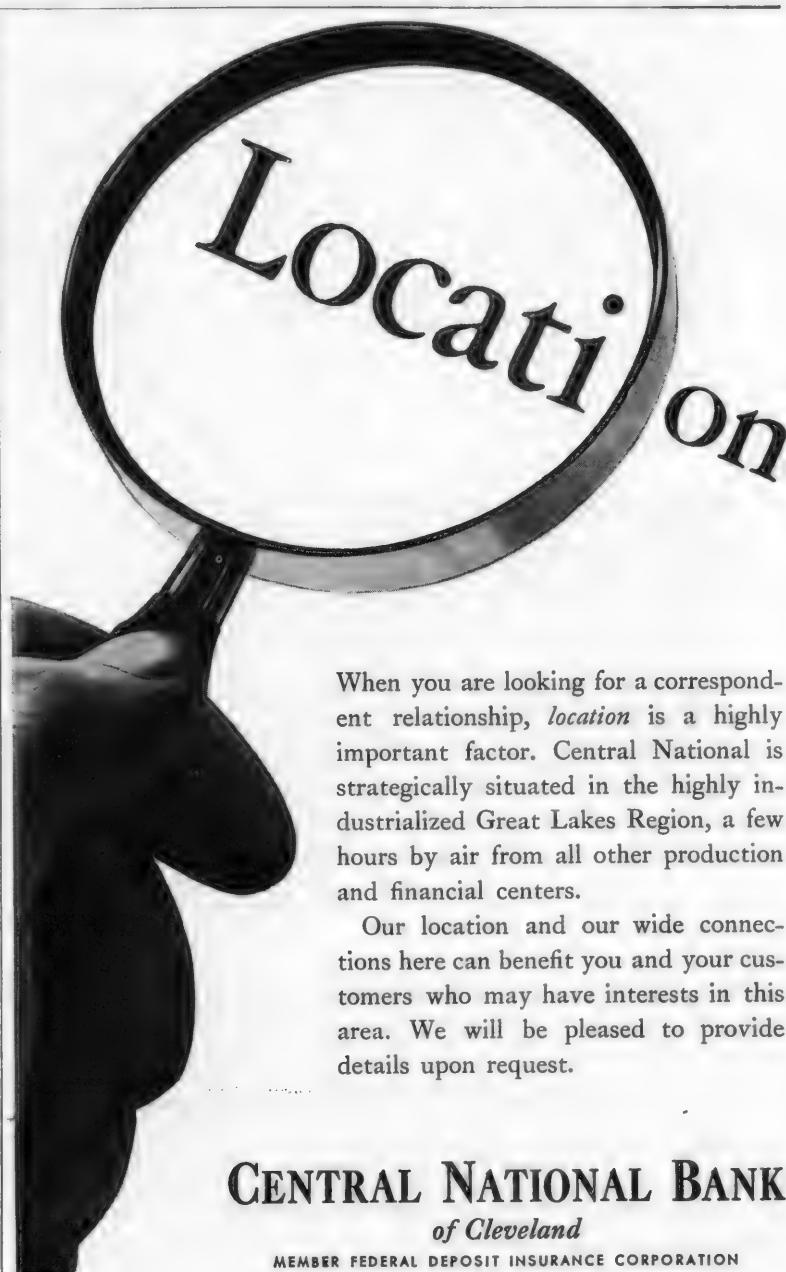
Mr. Meyer said the only way to correct cost figures was to start with all expenses and charge them to the proper activity.

"If the banks will include *all* of their expenses in figuring their costs, the results will probably be more uniform—and a lot higher," he added.
(END)

All you have to do to entertain some people is to listen.

The person who tells you his troubles keeps you from thinking of your own.

A pedestrian is a man whose son has gone to college with his car.



When you are looking for a correspondent relationship, *location* is a highly important factor. Central National is strategically situated in the highly industrialized Great Lakes Region, a few hours by air from all other production and financial centers.

Our location and our wide connections here can benefit you and your customers who may have interests in this area. We will be pleased to provide details upon request.

CENTRAL NATIONAL BANK of Cleveland

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Forget all you ever knew about

(Because this one does more work in less time)

Whatever you want in a bank bookkeeping machine, the new Burroughs Sensimatic has more to offer! Especially designed for commercial account posting, it's easiest to use and fastest by far. Operators like the Sensimatic because they can learn to operate it so easily.

Four big reasons why the Sensimatic is a boon to banks!



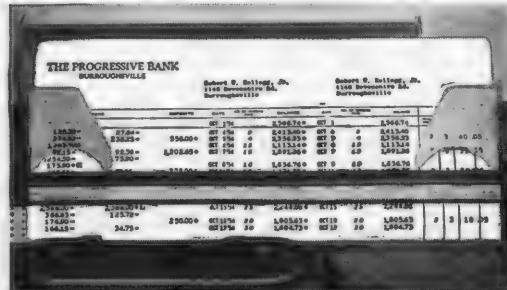
1 Faster form handling. A smooth one-hand motion puts the form into the open carriage, positions it to the last line of posting—perfectly aligned for the next operation.



2 Faster indexing. The entire keyboard is designed for faster, more positive indexing—with scientifically improved slope and height, fingertip key fit, and swift, uniform key depression.



3 Faster motor bar selection. The Sensimatic's exclusive construction assigns a single major function to each motor bar. Operator decisions are reduced and posting is simplified. Both speed and efficiency are greatly increased.



4 Faster, more automatic carriage movement. Carriage opens automatically, closes at the touch of the motor bar, tabulates forward or return, and completes posting. New amounts are indexed as machine computes.

But we'd need a whole book to tell you all about the Sensimatic!

That's right. There are so many other Sensimatic advantages that it would take a book. A few others are: *automatic check count, automatic register totaling, date lock, list-posting tape, and activity counter . . .* all well calculated to save time and money. Built on Sensimatic's exclusive principle (with interchangeable four-job panels that let you switch it from job to job at the turn of a knob) this machine is perfectly suited to any bank—whether it be large or small.

Now . . . about that booklet on the Sensimatic Bank Bookkeeping machine. It's yours for the asking. Call our nearest branch, or write to Burroughs Corporation, Detroit 32, Michigan.



*utbank bookkeeping machines!
ne with greater ease than any other!)*



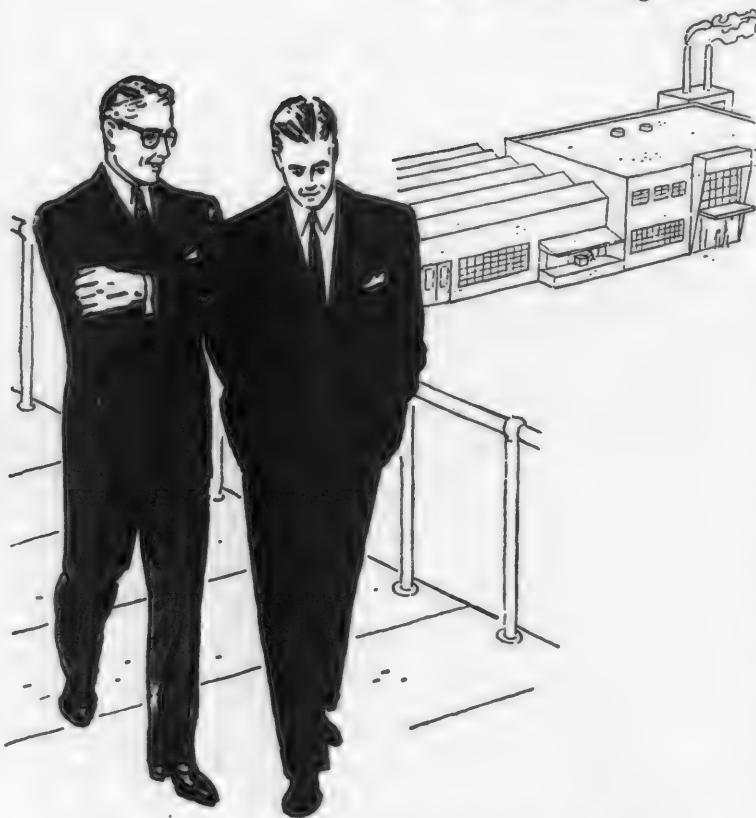
The versatile new
BURROUGHS SENSIMATIC
bank bookkeeping machine

WHEREVER THERE'S BANKING THERE'S



"Burroughs" and "Sensimatic" are trade-marks.

*"We like doing business
with the Royal"*



Canada's largest bank can help find the answers to your customers' questions about business in Canada. We provide American bankers with assistance in securing information on sales, manufacturing, financial and production opportunities. You can obtain this assistance by writing: Business Development Dept., at Head Office in Montreal.

Over 800 branches in Canada, the West Indies, Central and South America, New York, London and Paris.

THE ROYAL BANK OF CANADA



HEAD OFFICE: MONTREAL

New York Agency—

68 William Street, New York 5, N.Y.

Assets Exceed \$3,000,000,000

Post-to-Check Plan

(CONTINUED FROM PAGE 56)

are cycled. Our addressograph department furnishes the bookkeeping department with the statement and ledger sheets covering the accounts to receive statements on any given day, including the end of the month. The statement clerks prepare statements each day on those accounts for which they receive sheets from the addressograph department.

By posting to items under post-to-check, the bookkeeping machines print balances and item amounts on these items. This prevents items so marked from being taken from the files and used again. As all checks are filed immediately after posting it is not practical to cancel checks paid by a perforating machine as has been our practice. This problem has been solved by running all checks through an endorsing machine, which stamps the date of payment and our A.B.A. number on the face of each check. This is done when the checks are received from the proof department and before they are sorted.

Procedures

Our posting procedure for regular personal accounts is as follows:

(1) Run checks through endorsing machine to stamp payment date and A.B.A. number on face.

(2) Fine-sort checks and deposits and separate according to controls (or cycles).

(3) Prelist checks and deposits according to controls (cycles) in order to determine totals to be entered to respective controls.

(4) Post, using ledger sheets which are filed in acetate pockets. Items posted are filed into the pocket with the ledger sheet in front.

(5) Prove check and deposit totals on journals against prelist totals.

(6) Scan journals to determine that all postings show "OO." (It is not necessary to prove balances.)

Our statement procedure is as follows:

(1) Pick up new balance from ledger card.

(2) Pick up previous month's balance transferred to ledger card (instead of history card).

(3) Post checks and deposits. (The machine should show "OO" if account is correct. If any error exists

(CONTINUED ON PAGE 136)

**What makes
the difference?**



BEFORE

A Pittsburgh OPEN-VISION Store Front!



It pays to keep up with the times... to have a bank that's smart, inviting and progressive looking. That's why so many bankers have decided to modernize and to use Pittsburgh Store Front Products. When you put a new Pittsburgh Open-Vision Front on your bank you are making an investment that will pay off for years to come.

Take this bank, Endicott National Bank, Endicott, New York. Before modernization it was just another establishment—dignified but static. But after a complete face-lifting with a Pittsburgh Open-Vision Front, it now has distinction—is an eye-stopper and attention-getter. A number of Pittsburgh Products were used on this job—Pittco® Store Front Metal, Carrara® Structural Glass, Solex® Plate Glass and four Herculite® Doors and Door Frames with Pittcomatic® Hinges.

For more information on Pittsburgh Store Fronts, just send in the convenient coupon. We'll be happy to send you a free copy of our store front booklet.



Pittsburgh Plate Glass Company
Room 5429, 632 Fort Duquesne Blvd.
Pittsburgh 22, Pa.

Without obligation on my part, please
send me a FREE copy of your moderniza-
tion booklet, "How To Give Your
Store The Look That Sells."

Name

Address

City State



PAINTS • GLASS • CHEMICALS • BRUSHES • PLASTICS • FIBER GLASS

PITTSBURGH PLATE GLASS COMPANY

IN CANADA: CANADIAN PITTSBURGH INDUSTRIES LIMITED

**REDUCE Fatigue...
INCREASE Efficiency**

**WITH
Foot Comfort
RUNNERS and MATS**



HERE'S THE SECRET

Note the cutaway section above showing construction of the Hygienic FOOT COMFORT CUSHION. A tough rubber tile surface bonded to a sponge rubber base provides proper support without being "mushy." Thus, fatigue induced by standing on hard floors is eliminated — with a resulting increase in the user's efficiency.

Wherever people must work standing — at tellers' cages, counters, machines — FOOT COMFORT CUSHIONS pay for themselves by increasing the efficiency of personnel. Edges beveled for safety and appearance. Eight marbelized color combinations.

MATS: 18 x 30", 18 x 48", 24 x 36", 36 x 64"
RUNNERS: To 36" width, any length.

See your BANK OUTFITTER or OFFICE SUPPLY DEALER, or write: FLOORING DIV., Dept. E-12 for prices and literature.

THE HYGIENIC DENTAL MFG. CO.
AKRON 8, OHIO U.S.A.

AIR REDUCTION

Company Incorporated



154th CONSECUTIVE

COMMON STOCK DIVIDEND

The Board of Directors has declared a regular quarterly dividend of 45¢ per share on the Common Stock of the Company, payable on December 5, 1955 to holders of record on November 18, 1955, and the sixteenth regular quarterly dividend of \$1.125 per share on the 4.50% Cumulative Preferred Stock, 1951 Series, of the Company, payable on December 5, 1955 to holders of record on November 18, 1955.

October 26, 1955.

T. S. O'BRIEN, Secretary

(CONTINUED FROM PAGE 134)

the amount of the error will show and is located and corrected immediately.)

(4) Transfer balance to new ledger sheet.

(5) Examine checks and deposits to be sure that they have been posted to the correct account.

(6) Separate deposit tickets from checks. (It is our policy to retain deposit tickets.)

(7) Enclose checks with statement and mail.

Our new plan has also simplified the figuring of service charges in our analysis department on personal accounts. These accounts are now analyzed for the cycle period rather than the calendar month (except those accounts which remain on the end-of-the-month statement basis). The analysis department works one day behind the statement department. The day following each statement-preparation date, the bookkeeping department turns over to the analysis department the ledger sheets covering the cycle prepared the previous day, together with deposit tickets credited to those accounts during the cycle period. The deposit tickets for each account are all together and are in alphabetical order by accounts. This means that all material necessary for the figuring of service charges is readily available, and by working after the bookkeeping department the work of the analysis department is spread out and bottlenecks are eliminated. Analysis of commercial accounts is handled as heretofore.

Advantages

It is our considered opinion, based on our experience, that many of the advantages derived from the post-to-check plan have been retained and additional ones developed. The following benefits continue:

(1) Proving balances daily is unnecessary.

(2) Necessity of posting to statement daily is eliminated. Statement is prepared with one handling at the end of each cycle period.

(3) Filing is done at time of posting.

(4) Signature verification is better because signature cards are filed in acetate folder with ledger sheets and items.

(5) Neater and more accurate customer statements are produced.

- (6) Smaller forms reduce cost.
- (7) Fewer machines are required.
- (8) Personnel is reduced.
- (9) Operation is simple.

In addition, our plan offers these advantages: (1) The ledger sheet furnishes better record; (2) zero proof eliminates pick-up errors; (3) trial balances can be run at any time; (4) greater flexibility in rendering of statements results; and (5) analysis is simplified.

Obviously, the greater volume per account on regular personal accounts and the handling of ledger sheets result in a slightly longer posting time under our plan than that required under the post-to-check plan used in our special checking department. In that department the number of accounts per bookkeeper was doubled by changing to post-to-check; in the regular personal checking section the number of accounts per bookkeeper has been increased by approximately 50%.

Results Good

The new system has been tested in one group of ledgers, involving about 4,000 accounts, and the results were all that we had hoped for. Plans are now being made to change over the rest of the personal accounts. When the conversion is complete, our number of bookkeepers can be reduced from 23 to 15, and four check filers necessary under our old system can similarly be released for other kinds of work. In addition, it is believed time will show that further shifts in personnel may become possible as a result of other advantages, unrecognized at this moment, which may accrue from our system.

The person who is too busy to be courteous is too busy.

If a person wants to get ahead, he has to start without all the advantages others have.

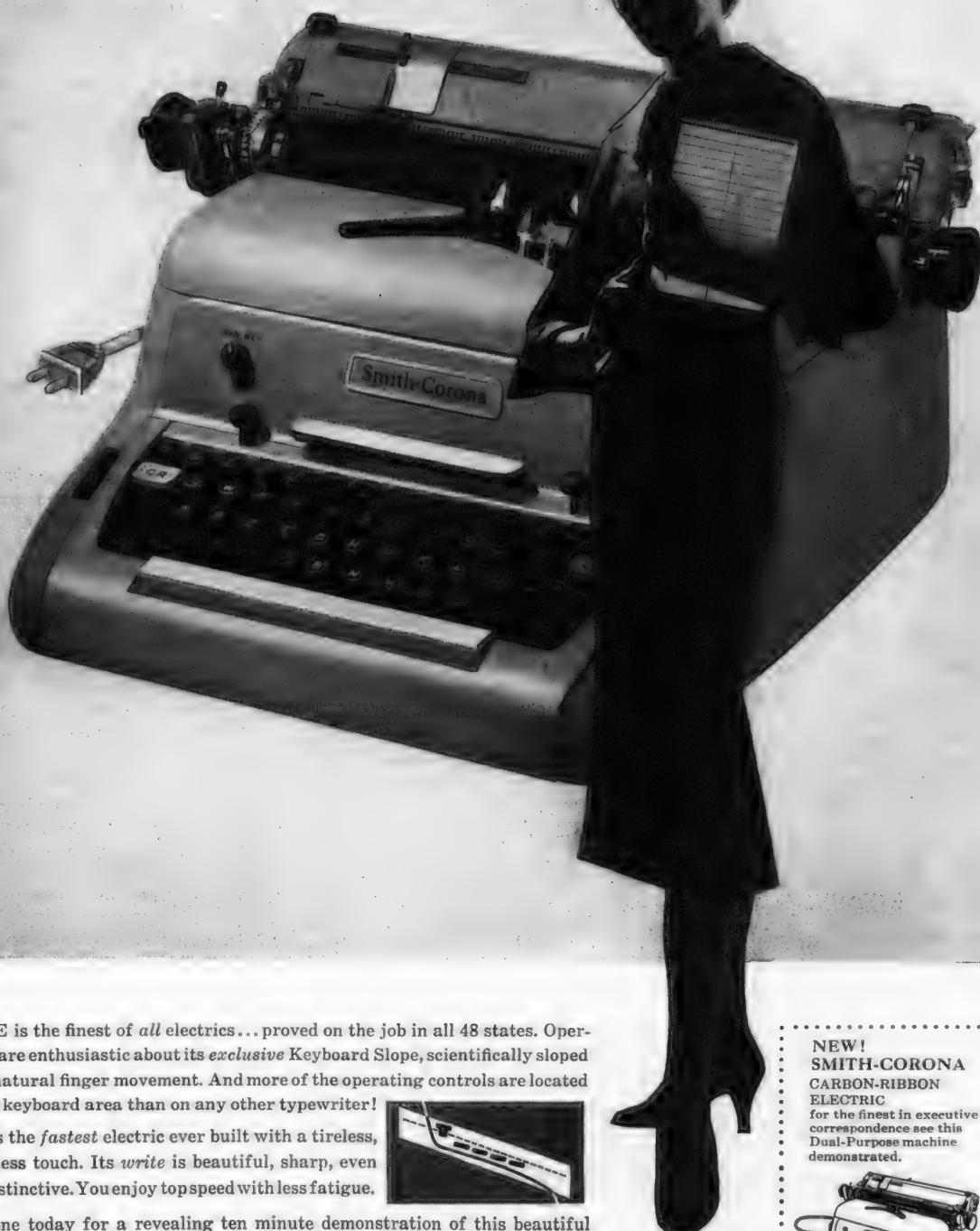
The advisability of passing a car at a curve depends upon whether your widow thinks the loss will be covered by insurance.

When some persons put their cards on the table, it's a good idea to count them.

THE JOB-PROVED

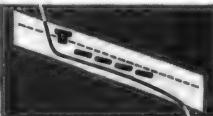
Smith-Corona ELECTRIC

with the most efficient keyboard ever designed!



HERE is the finest of all electrics... proved on the job in all 48 states. Operators are enthusiastic about its *exclusive* Keyboard Slope, scientifically sloped to fit natural finger movement. And more of the operating controls are located in the keyboard area than on any other typewriter!

It is the *fastest* electric ever built with a tireless, effortless touch. Its *write* is beautiful, sharp, even and distinctive. You enjoy top speed with less fatigue.



Phone today for a revealing ten minute demonstration of this beautiful typewriter, already job-proven for efficiency by American business.

NEW!
SMITH-CORONA
CARBON-RIBBON
ELECTRIC
for the finest in executive correspondence see this
Dual-Purpose machine demonstrated.



SMITH-CORONA INC SYRACUSE 1 N Y BRANCH OFFICES OR DEALERS IN PRINCIPAL CITIES

Electronics

(CONTINUED FROM PAGE 49)

American Credit Insurance AND *THE CASE OF THE BULK SALE*

THIS is an illustration of how the fast working of American Credit's service can save clients much time and money, and prevent entanglements in red tape. While the case may not be of a type that has ever occurred in your own operations, it is of a sort that does happen fairly often—and so concerns all companies, large and small.

The policyholder, a chemical concern doing a gross of approximately one million dollars, was adequately covered under a general coverage policy. To all appearances, everything was proceeding normally on all of its customer accounts. In the case of one of these, however, what might have proved serious trouble was about to develop. This particular customer, a chemical wholesaler, was covered under the policy to a limit of ten thousand dollars. Actual outstanding at the time was only slightly over eight thousand—thirty-six hundred of which was in the form of a Trade Acceptance.

When the Trade Acceptance was presented for payment in the normal manner, it was dishonored. Conternation! What could have happened? The customer was a long established firm of excellent reputation. Yet . . . The account was immediately filed with American Credit as a past due item, and our Service Department went to work. Almost simultaneously, notice was received that an outside concern had purchased the customer's assets. Our attorneys conferred with attorneys for both the original owner and the purchaser. It developed that due to an oversight in the confusion of transfer, notice to the policyholder had not been given in compliance with the Bulk Sales Law.

Despite the existence of an affidavit from the seller of no indebtedness, the purchaser acknowledged his liability, and agreed to pay the entire claim at once. Collection in full was made on the seventh day after filing of the claim, and the cost to our client was—nil.

Whatever the nature or size of your own business, you will find new assurance in all dealings when you know that your accounts receivable are protected at least as well as your plant, your product inventory, and your goods in transit. For your copy of a new booklet: "Credit Insurance, Its History and Functions," write Department 45, First National Bank Building, Baltimore 2, Maryland.

**American Credit
Indemnity Company
of New York**

The small or special purpose computer seems to hold the most hope for possible banking usage. This type machine has possible application in checking accounts, savings accounts, trust, instalment, and mortgage loan accounting procedures. This equipment, although not cheap, is not as expensive as the previously mentioned general purpose type. The price may be in the neighborhood of \$35,000 to \$100,000, or a rental of \$4,000 to \$10,000 per month. This middle market is expanding, and knowing American methods of manufacturing and marketing leads one to believe that the price may soon be scaled downward.

Known vs. Unknown

Where some banks have studied the possible applications there is a stand-off between cost and present current operations. Therefore, the question involves: Why trade an unknown for a known? Another study shows that, everything being normal and on a frozen basis, present commercial bookkeeping costs are .0708 for handling a check, whereas with the installation of a computer, their per item cost would be .0185. This, based upon a fair-sized volume, could result in a fair-sized savings over a year or several years' period.

One large bank has installed a large type all-purpose computer and established a data-processing center to handle the accounting for about 10 branches. The initial processing involves commercial accounts. Checks at the present are coded by metallic ink and, when presented for payment, are processed through one of 10 input stations resembling proof machines. As the checks are fed into this input device the computer locates the account and subtracts the amount and creates a new balance. As this posting operation progresses, all information is read out of the computer upon magnetic tape, listing account number, name, check account, new balance. From other tapes, statements are created at the end of the period for mailing to the customer. In the equipment area the computer accepts stop-payment or hold orders, stops when these instructions do not correspond to the

(CONTINUED ON PAGE 140)



93.3% of bankers interviewed say:

**"AIR CONDITIONING INCREASES
THE EFFICIENCY OF OUR EMPLOYEES"****

A survey of leading bankers revealed that 93.3% believe that employee efficiency goes up when air conditioning is installed—and in this competitive age, employee efficiency is a major intangible on your profit and loss statement.

One of the reasons banks all over the country are choosing York air conditioning is because Yorkaire Systems are tailored to meet the individual bank's exact needs. Yorkaire Systems bring you the *right kind* of air conditioning at a reasonable price.

Since heat loads and glass areas, number of occupants and floor areas, taxes, depreciation, operating

costs and a host of other factors vary from bank to bank, obviously no one system—or two systems or three—could air condition every bank best. That's why York carefully selects and then precision engineers each Yorkaire System to fit the particular building for which it is designed.

Your York District Office will help you plan the Yorkaire System just right for your bank. There's no obligation. Just phone (the number's in the Yellow Pages), or write York Corporation, York, Pa.

* Based on Hooper-Holmes Bureau, Inc., and Psychological Corp., Surveys.

YORK CORPORATION



the quality name in air conditioning

HEADQUARTERS FOR MECHANICAL COOLING SINCE 1885

(CONTINUED FROM PAGE 138)

How to make inventory loans more profitable!

If you are interested in making your FIELD WAREHOUSING loan operation more profitable, let New York Terminal show you how. Our pioneer experience, broader range of service and warehouseman's know-how combine to give you plus advantages in this type of operation. Our monthly Stock and Value Reports relieve the problems of collateral control.

Every phase of our operation has been designed to reduce costs to you and your customers. Operation offices in key centers assure complete and efficient service in your locality.



NEW YORK TERMINAL WAREHOUSE COMPANY
25 South William Street, New York 4, N. Y.
Please send me information about your Field Warehouse Loan Plan and how it will save our bank money.

NAME _____
BANK _____
TITLE _____
ADDRESS _____

CITY _____ STATE _____

OPERATING OFFICES IN PRINCIPAL CITIES

item and also when an account is overdrawn. Also, the computer calculates service charges.

Other phases of computer planning at this bank involve field trials of real estate and instalment loan accounting, including regular records, past due lists, notices or billings, preparation and calculation of past due charges, expiration of insurance policies, preparation of register for loans made and paid, and other accounting data. The next step would be the completion of the general ledger.

Combination Machines

Two major equipment manufacturers recently announced machines which combine electronic devices with conventional mechanical features of the machines you now use in your banks. These new machines will automatically find the correct posting line, pick up the old balance of the account and the check count balance. The operator then is required to index only the amount appearing on posting media and depress a key to extend the new balance. These automatic pickups are accomplished by magnetically encoding fields of metallic ink on the reverse of the ledger sheet. The machines read, apply and verify the coded information. When the new balance is extended the new information is encoded and the old is erased.

A unique feature of this equipment is that it utilizes the speed of electronics, but at the same time prepares standard "hard copy" ledgers and statements. There is no need to translate electronic symbols. Records are conventional and therefore provide "random access" to any depositor's account without delay.

I have tried to present to you the picture of automation as it appears today. Bankers must keep abreast of all developments and be currently informed as to the rapid progress which is being made. They must analyze the situations, products, and systems and consider their application to a particular bank and its operations.

It takes more than a shoeshine and a manicure to give a person polish.

Modern

banking

requires

modern

protection



Showcase vaults, volume transactions over open counters free of bars and grille work, and other present-day banking conveniences require up-to-the-minute protection. In supplying blanket bonds and other types of insurance to meet these changing requirements, we offer a broad and intimate knowledge of modern protection techniques plus the ability to apply fresh thinking to your individual problems. It is this interest in your problems that enabled us to introduce many of the protection standards that are today serving the leaders of the financial industry.

**FEDERAL
INSURANCE
COMPANY**

Into which has been merged
**THE UNITED STATES
GUARANTEE COMPANY**

**CHUBB & SON,
Managers**

90 John Street, New York 38, N.Y.



Branch Location

(CONTINUED FROM PAGE 48)

added to the total of banks in each community, and, when the population per bank was refigured on this basis, the ranking of the communities had changed considerably.

Theirs being a commercial bank, they were interested in a repeat of these steps, using a count of commercial banks only. Interestingly enough, the list of top-ranking communities changed very little, and it seemed possible to eliminate one-

half the eligible communities from further consideration.

Next, something comparable to population figures that would measure manufacturing, trade, and general business activity was required. As a trial, a simple count was made of the number of names listed for each community in Dun & Bradstreet's regular credit reference book. Then the steps outlined above were repeated, using the count of names instead of population figures.

Naturally the resulting rankings could not be considered very authoritative. But some supporting

evidence was obtained and analyzed in the same way. The local telephone company generously supplied data on the number of business telephones in service. The differences among municipal boundaries and the corresponding telephone exchange boundaries were then adjusted with the help of a competent local realtor. After analysis of these figures, it was found that the Dun & Bradstreet listings and the business telephone statistics complemented each other to a startlingly high degree, adding considerable significance to the measurements obtained with this yardstick.

At this stage in the study, it was becoming conclusive that five of the eight communities under consideration could be eliminated, and that a location in the city itself would probably offer the best prospects. Since the bank's directors had also stressed the importance of better service to existing accounts, the analysis was focused on the city.

Account Location

It started with a location study of the bank's commercial accounts. For this analysis, a city street map was divided by penciled lines into squares, with boundaries as indicated by the location code letters and numbers such as B-7, F-4, etc., commonly found along the borders of such maps. Using the accompanying street guide and the bank's customer records, a random 10% of the accounts were located on the map by check marks within the proper squares. Outlying customers were checked just outside the city limits along the traffic artery most likely to be used to reach the bank. Then another random 10% were similarly located using a different colored pencil. Since the two 10% sample distribution patterns were substantially alike, there appeared no need to go beyond a composite 20% sample pattern to get an accurate account location picture.

Consequently, the marked map was divided into quadrants with north-south and east-west lines intersecting at the present bank location. After accumulating the check



IN JACKSONVILLE FLORIDA

... where there is no state ad valorem, no city, county or state income taxes and no state inheritance taxes. We have been serving our State and Community for 78 years.

THE BARNETT NATIONAL BANK of Jacksonville

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



OLD SUPERSTITIONS

and what they mean

Spilled salt is a warning of evil nearby. Since good spirits live to your right and bad spirits to your left, you must quickly throw a pinch of salt over your left shoulder to bribe evil against doing you harm.

However, the kind of protection most people believe in today is that offered by a Comprehensive Dwelling or Homeowners Policy. (Now available in most states.)



THE LONDON & LANCASHIRE GROUP

THE LONDON & LANCASHIRE INSURANCE COMPANY, LTD. • ORIENT INSURANCE COMPANY • LAW UNION & ROCK INSURANCE COMPANY, LTD. • SAFEGUARD INSURANCE COMPANY OF NEW YORK • STANDARD MARINE INSURANCE COMPANY, LTD. (Fire Department) • LONDON & LANCASHIRE INDEMNITY COMPANY OF AMERICA

Never try to keep up with the Joneses. Just wait and meet them on the way coming back.

marks by quadrants, it was plain that a branch in the northwest quadrant would best serve existing business.

One of the initial steps in the study was to get in touch with the U. S. Census Bureau. Fortunately, more than adequate sets of figures about the area had been published, and they were ordered. While this is not true of all populated areas, the figures for most other cities are available and can be organized, analyzed, and tabulated upon request for a nominal charge. In this instance, the city was divided into about 30 census tracts and mapped accordingly, with a mass of detailed statistics available for each.

Centers of Gravity

Using these and the census maps, several "centers of gravity" were pinpointed on the original map.* These "centers" included housing, selected elements of the population, and other classified population breakdowns ranking high in desirable economic characteristics. Not only did these "centers" fall in the northwest quadrant; they also were rather closely grouped.

Next, some sources of traffic information were tapped, with excellent results. One was an outdoor advertising company which provided a map illustrating the density of traffic on every major artery. Much more detailed information was revealed in a comprehensive traffic study that had been made for the city by an outside consulting firm. Between these two, it was determined that the density of purely local traffic was greatest on arteries in the northwest quadrant.

Data provided by the bus company corroborated certain previous findings in a rather surprising way. Analysis showed that the proportion of bus traffic to automobile traffic in the northwest was significantly out of line. It was deduced, however, that the higher ratio of automobiles here was another indicator of the superior economic circumstances of the people living in and beyond the northwest. This is a most appropriate example of how matters of common knowledge to a

native can be resolved by an outsider when subjected to analysis.

The accumulation of evidence at this stage was so impressive that the bank retained a realtor to assemble—very discreetly, of course—data on the availability of specific properties in the most desirable section of the city, with due regard for the city zoning laws and also the location of competing banks.

While this was in progress, one final consideration was studied. Every aspect of the city's future, as reflected in the short- and long-range planning of both the cham-

ber of commerce and the city planning board, was evaluated. It was determined that no factor or influence which was planned or foreseen in the growth and development of the city was expected to operate to the ultimate detriment of the banking climate in the chosen neighborhood.

When all this evidence was available, there was no further hesitation about what to do. When the evidence was all organized, the bank had ample support in several different forms for its application to engage in branch banking.



take a close look

... and we think you'll agree, as hundreds of correspondent banks have, that in Cincinnati, Ohio, the Fifth Third Bank is definitely set up to handle correspondent banking problems quickly and efficiently.

Strategically located in the center of a great industrial and agricultural area, Fifth Third is fully equipped to provide you with competent, fast, friendly and personal service...backed by 97 years of experience.

You are cordially invited to use the facilities of . . .

The FIFTH THIRD UNION TRUST CO.
CINCINNATI, OHIO • MAIN 1-5400

Member FEDERAL RESERVE SYSTEM • FEDERAL DEPOSIT INSURANCE CORP.

* NOTE: A simple "center of gravity" determination involves the locating of quadrants on the map in such a way that each quadrant contains an approximately equal proportion of the total population category for which the center of gravity is sought. The center, of course, is the point common to all quadrants.

What's going on in St. Louis?

A dynamic new spirit is changing the face
of the Nation's hub



WENDELL OLIVER PRUITT APARTMENTS tower over the dwindling traces of a blighted area. Eight such modern developments will provide 7,745 dwelling units for 34,200 persons who cannot afford other than public housing.

There's more reason than ever to do business in centrally located, economically solid St. Louis!

The nation's hub is alive with intense activity—new highways, new industry, new master traffic plan, new buildings—expansion and improvement everywhere, paced by \$110 million of civic improvement bond issues.

Boatmen's, the Oldest Bank West of the Mississippi, is right in the thick of it, supplying wide-awake modern service and economic know-how and more than 108 years of banking experience to St. Louis business, industry and individuals.

Whatever your correspondent needs and problems in the busy, progress-minded St. Louis area, we invite you to consult Boatmen's.



The **Boatmen's**
NATIONAL BANK
OF SAINT LOUIS
BROADWAY & OLIVE

MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION

Oldest Bank West of the Mississippi

New Books

BIG BUSINESS LEADERS IN AMERICA. By *W. Lloyd Warner and James Abegglen*. Harper, New York. 238 pp. \$3.75. "A group portrait of America's top executives and the forces that made them leaders." The authors, on the University of Chicago faculty, studied the careers and backgrounds of more than 8,000 men, and also examined the economic backgrounds of their wives and fathers-in-law.

INTRODUCTION TO INVESTMENTS. By *John C. Clendenin*. McGraw-Hill, New York. 647 pp. \$6.50. New second edition of a college text by the professor of finance, University of California, Los Angeles.

CENTRAL BANKING. By *H. M. de Kock*. John de Graff, Inc., New York. 330 pp. \$5. Third edition of a book by the governor of the South African Reserve Bank.

AN INTRODUCTION TO AUTOMATIC COMPUTERS. By *Ned Chapin*. Technology Center, Chicago. 242 pp. \$9. This "systems approach to business," published in a binder, discusses computers from the business, rather than the engineering viewpoint. Its key topics include: what computers are, what they can do, how they work, how they fit into business, the characteristics of available equipment, original and operating costs.

PRINCIPLES OF MASS AND FLOW PRODUCTION. By *Frank G. Wollard*. Philosophical Library, New York. 191 pp. \$7.50. A British engineer offers 18 basic principles for increasing production economically.

THE MONEY MARKET AND ITS INSTITUTIONS. By *Marcus Nadler, Sipa Heller, and Samuel S. Shipman*. Ronald Press, New York. 310 pp. \$6. Three New York University professors examine the powers of the monetary authorities and the creation of bank reserves and deposits, and analyze and interpret the statements and statistical data issued by governmental and private agencies concerned with money and credit.

RAISING CAPITAL WITH CONVERTIBLE SECURITIES. By *C. James Pilcher*.

School of Business Administration, University of Michigan, Ann Arbor. 148 pp. \$2.50. A monograph developed from a doctoral dissertation.

THE LONDON CAPITAL MARKET. By *Norman Macrae*. John de Graff, Inc., New York. 282 pp. \$6. A textbook on today's "City of London," with a discussion of its problems.

RESEARCH FRONTIERS IN POLITICS AND GOVERNMENT. Brookings Institution, Washington, D. C. 231 pp. \$2.75. The Brookings Lectures of 1955 by eight political scientists.

AMERICAN IMPORTS. By *Don D. Humphrey*. The Twentieth Century Fund, New York. 538 pp. \$6. This study, sponsored by the Fund and the National Planning Association, finds that the United States should adopt a straightforward program of tariff reduction, coupled with readjustment aid to industries and communities hurt by increased imports. Ability of free countries to resist communist aggression and subversion would thus be greatly strengthened. Dr. Humphrey is professor of economics at Duke University.

ELEMENTARY STATISTICS. By *R. Clay Sprows*. McGraw-Hill Book Company, New York. 385 pp. \$5.50. A text for students of social science and business.

CORPORATE REORGANIZATIONS: THEIR FEDERAL TAX STATUS. By *Robert S. Holzman*. Ronald Press, New York. \$15. Dr. Holzman, professor of taxation at New York University Graduate School of Business Administration, brings out a second edition of his book, entirely rewritten in the light of the 1954 Internal Revenue Code.

1955 DIRECTORY OF AUTOMATIC MERCHANDISING. National Automatic Merchandising Association, Chicago. 146 pp. \$3. Second edition of an annual.

HOW THE CITY WORKS. By *Oscar Hobson*. News Chronicle Book Department, London. 158 pp. 6s. Revised edition about London's business and financial section.

Lasser's TAX PLANNING for REAL ESTATE



shows you how to achieve maximum savings on real estate — set up transactions so taxes on profits never exceed 25%!

The many tax strategies available in the ownership, management, construction, buying, and selling of real estate are pinpointed for you in Lasser's valuable new book which covers the entire real estate picture for the first time.

Points out savings and tax risks to consider. Describes tax shelter potential and tax traps inherent in day-by-day operations. Explores alternatives for substantial savings available under tax law.

TEAR THIS OUT TO REMIND YOU

Whether you own, operate in, or advise on real estate, this wealth of ready-to-use information will enable you to plug those holes where taxes drain away profits and income. Only \$9.95. Send today for your *on-approval* copy. Reinhold Publishing Corp., Dept. M-874, 430 Park Ave., New York 22, N. Y.

at last!

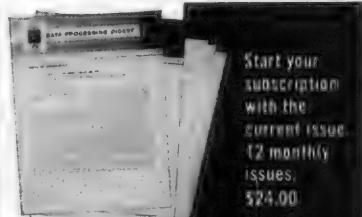
An easy way to keep fully informed of new developments in data processing

DATA PROCESSING DIGEST is a monthly digest of the most significant current articles in the field of automatic data processing, selected from trade publications, conference reports, professional group proceedings and books.

Recent issues of **DATA PROCESSING DIGEST** have covered these subjects:

- Description and operation of electronic clerical data processing equipment,
- Typical applications in business and industry,
- Electronic clerical system design,
- Practical developments in scientific managerial decision-making,
- Seminars, conferences, training programs.

You get the key ideas of the articles with complete references for only a few minutes' reading time.



Start your subscription with the current issue (2 monthly issues) \$24.00

A Service of

**CANNING,
SISSON AND
ASSOCIATES**

9148 South Robertson Blvd., Los Angeles 35, Calif.

SEND FOR
FREE COPY!

Thirty G.S.B. Theses Gain Library Acceptance

THIRTY theses prepared by banker-members of the Class of 1955 of The Graduate School of Banking have been accepted for placement in the libraries of the American Bankers Association, of Rutgers University, and the Baker Library of the Harvard Graduate School of Business Administration.

These theses were written as one of the graduation requirements of the school. They were selected by the Library Thesis Committee after recommendation by a panel of thesis examiners specializing in the subjects treated.

At the A.B.A. Library, the theses will be available for reference and will be circulated on request to A.B.A. member institutions and graduates or students of The Graduate School of Banking. Circulation is limited to the continental United States; only one thesis may be borrowed at a time; it may be retained for one week; and the borrower is required to pay return shipping costs.

The theses, in abridgments by their authors, will appear in the volume *Present Day Banking 1956*, published by BANKING.

Authors; Theses

The 30 authors and their thesis titles are:

W. Lane Abernathy, assistant trust officer, First American National Bank, Nashville, Tenn.; *Allocation of Income Earned During Administration*.

Samuel H. Ballam, Jr., assistant trust investment officer, Fidelity Philadelphia Trust Company, Philadelphia; *Preferred Stocks*.

Arthur G. Banta, assistant secretary, Hudson Trust Company, Union City, N. J.; *A Suggested Program for Developing Bank Executives*.

William E. Bensel, assistant treasurer, Guaranty Trust Company, New York; *Federal Reserve Open Market Operation in the Postwar Period, 1946-1954*.

Homer R. Berryman, assistant secretary, Marine Trust Company of Western New York, Buffalo; *A Study of New York School District*

Bonds—Their History, Credit and Suitability as Bank Investments.

Raymond Clausen, vice-president, Northwestern National Bank, Minneapolis; *Williston Basin Oil Production—Its Implication to Commercial Banking in the Twin Cities*.

James E. Curtin, assistant cashier and manager, National Newark & Essex Banking Company, Newark, N. J.; *The Bank Employee Publication*.

Grover Ellis, Jr., vice-president, First National Bank, Houston, Tex.; *Production Payments and Other Trends in Petroleum Financing*.

David C. Ewart, trust officer, The Merchants National Bank, Boston; *Mutual Fund Dividends—Principal and Income Problems of Trustees*.

Robert B. Fore, vice-president, The First National Bank, Birmingham, Ala.; *Deferred Profit Sharing for Bank Personnel*.

Warren G. Hayes, assistant cashier, Philadelphia National Bank, Philadelphia; *A Study of the Procedure in the Consolidation of National Banks*.

Albert F. Jackson, assistant trust officer, Old Colony Trust Company, Boston; *Valuation of Close Corporation Stock for Estate Tax Purposes*.

Charles H. Labbe, vice-president, The United States National Bank, Portland, Oreg.; *The Organization Structure of Branch Banking Systems*.

Norman J. Larkin, assistant trust officer, City Bank Farmers Trust Company, New York; *A Consideration of Factors Favoring the Use of Revocable and Irrevocable Trusts*.

Ernest E. Miller, assistant cashier, The First National Bank, New Milford, Conn.; *The Economic Effects of Hydro-electric Reservoirs in the Housatonic Valley*.

Dan M. Nixon, assistant cashier, The National Shawmut Bank, Boston; *The Iron and Steel Scrap Industry and Its Financing*.

Stephenson Outhwaite, assistant treasurer, The Bowery Savings Bank, New York; *Some Repair and Improvement Loans Under F.H.A. Title I for the Investment Portfolio of Savings Banks*.

John H. Perry, assistant cashier,

Central National Bank, Cleveland; *Equipping and Staffing a New Branch Office*.

Everett B. Post, chief, personnel relations division, Federal Reserve Bank, New York; *Salary Review Procedures and Controls under a Job Evaluation Program*.

Harvard C. Ray, manager, credit department, First National Bank, St. Paul, Minn.; *The Farm Implement Dealer as a Commercial Bank Customer*.

Arthur F. Rees, III, partner, Hancock, Blackstock & Company, Atlanta; *Federal Home Loan Bank Consolidated Obligations*.

Gerard K. Sandweg, assistant secretary, Mercantile Trust Company, St. Louis; *Aspects of a Corporate Trustee's Administration under Bond Indentures*.

Jeremiah P. Shea, assistant treasurer, Equitable Security Trust Company, Wilmington, Del.; *A Program of Periodic Loan Review for Use in Medium-sized Banks*.

Roland H. Thuleen, vice-president, First National Bank, Minneapolis; *Bank Loans to Road Contractors*.

Joseph F. Tierney, senior examiner, Federal Reserve Bank, New York; *The Bank Fiduciary Fund—A Mutual Trust Investment Medium for Small New York Corporate Fiduciaries*.

George O. Vass, Jr., assistant cashier, The Riggs National Bank, Washington, D. C.; *The Growth and Development of Building and Loan Associations in Washington, D. C.*

James W. Watts, assistant manager, The Chase Manhattan Bank, New York; *Banks and Banking in Italy*.

Donald S. Willcox, trust officer, State-Planters Bank and Trust Company, Richmond, Va.; *The Trustee's Responsibilities with Respect to Close Held Corporations*.

Jeremiah J. Wolfe, assistant treasurer, The Bank of New York; *Simplification of Bank Operations Through Employee Participation*.

John P. Wright, assistant vice-president, American National Bank & Trust Company, Chattanooga, Tenn.; *The Investor Looks at the Sales Finance Industry*.



HERE'S AUTOMATIC CHECK COUNT ON A GROUP AND GRAND TOTAL MACHINE

When a group of checks are to be posted to one account at the same posting, this versatile Monroe Adding Machine totals the list and at the same time counts the items, too.

It is the complete adding machine for all types of addition, with the special item-count feature that prints the number of checks added, with the group total. With its 10-column keyboard, a depression of the split and normal key gives the machine a capacity of 999

in items and 999,999.99 in totaling. A flick of the finger normalizes the machine for general ledger adding or for larger capacity as needed.

Whether the job is large or small, this modern "velvet touch," full-keyboard adding machine is the favored stand-by in many banks today, for use in all departments. Monroe Calculating Machine Company, Inc. Home office: Orange, New Jersey. Sales and Service branches throughout the country.

see The MAN from MONROE
for CALCULATING • ADDING • BOOKKEEPING MACHINES

IDEAS for READERS

A special service of
BANKING'S Readers' Information Bureau



**It's the New
FIRST NATIONAL BANK
Building in Phoenix**

It's the largest in the Southwest.
It's scheduled for occupancy
very soon.

**FIRST NATIONAL
BANK of ARIZONA**

HEAD OFFICE: PHOENIX, ARIZONA
MEMBER FEDERAL DEPOSIT INSURANCE CORPORATION



GIVE EXOTIC HAWAIIAN WOODROSES

Increase your savings
accounts by giving an
exquisite Hawaiian
Woodrose Corsage

with each new savings account opened! The Woodrose is a very real flower preserved by Nature to last forever. It looks and feels like a hand carved rose rubbed to a satiny smooth finish... and is prized by women because of its natural charm and allure. Its color varies from soft beige to rich dark brown. The Hawaiian Woodrose is very inexpensive, too.

FOR: new accounts - anniversaries - special events - or just to say "Thank You". Write today for full details and price list.

Dept. B 125

H. C. Krueger - Flowers of Hawaii
670 S. Lafayette Pk., Pl., Los Angeles 57, Cal.

ATTENTION BANKS AND BANKERS

Private individual would like to purchase at once for cash all or controlling stocks in going bank. All replies held in strictest confidence. I am not an agent looking for a promotion but an honest-to-goodness buyer who wants to buy and am able to consummate a deal quickly and quietly. If possible, want present officers and personnel to remain. Again I reiterate, I am not on a fishing expedition, but I personally am the serious principal for whom this ad is intended. Will be glad to supply the best of bank, trade and character references.

BOX JRP, BANKING, 12 E. 36th St., N.Y. 16

NO OTHER WORD continues to mean so much to banks in the handling of the vast amount of operating detail as "automation." New and improved products of every kind continue to come from manufacturers' laboratories and production lines to meet bank and bank clients' needs.

Some of these are presented here, and readers may get further details about them from Readers Information Bureau, BANKING, 38 S. Dearborn St., Chicago 3.

New Line of Currency Bags

A new line of drawstring currency bags, said to have more than eight times the wearing qualities of the previous line, has been brought out by A. Rifkin & Co.

The increased strength and serviceability are gained by the use of colored woven nylon drawstrings with plastic tips which are now standard on all the company's drawstring bags.

Product of: A. Rifkin & Co., Wilkes-Barre, Penna.

are made at the bank's discretion; and how okays are speeded up.

The portfolio is available from: Bankers Security Life Insurance Society, 103 Park Ave., New York City.

Weather-Actuated Timer For Heating Systems

The Weather-Chron is a weather-actuated time switch for day and night or 7-day programming and is applicable to all heating systems, according to the manufacturer.

Outdoor temperature automatically resets the time the heating is to start again after operating and also controls time for cutback at night. The device stops all heat input when outdoor temperature reaches any preselected degree.

The 7-day programming permits the setting of start and cutback action at varying times.

Product of: Automatic Devices Co., Inc., Western Springs, Ill.

Weather-actuated time switch is for day or night starting and cutback or 7-day programming

Home Improvement Loan-Building Manual

The home improvement loan-building manual, *More Business for You* is a detailed discussion of the complete plan for increasing loan business prepared by the Bankers Security Life Insurance Society.

A procedure schedule lists eight steps for the bank to follow to put many dealers in all phases of home improvement work on the bank's list of business builders. The manual shows the simplified loan application form; explains how completion certificates and borrower's authority are eliminated; how the bank sets loan requirements; how loans are insured; how extensions and refinances



"Basic Principles" for Holding Companies

ACCORDING to a statement of the Independent Bankers Association of the Twelfth Federal Reserve District, "the five basic principles for sound bank holding company legislation" set forth by A. L. M. Wiggins at the American Bankers Association convention have been endorsed by former A.B.A. President Orval W. Adams, executive vice-president, First National Bank of Salt Lake City, Utah.

The "five basic principles" are included in the following paragraphs from an address given by Mr. Wiggins, also a former A.B.A. president and a former Under Secretary of the Treasury, before the State Bank Division session at the Chicago convention (numerals inserted in accordance with Independent Bankers statement):

"It is now recognized," said Mr. Wiggins, "that in the public interest [1] bank holding companies should not be permitted to control and operate businesses that are not related to the banking business. Companies now owning both banking and non-bank related institutions or corporations should be required to divest their ownership of one or the other within a reasonable time. The same divestment should be required of chain banking and other forms of central control of multiple banking.

"There is also recognition on the part of bankers and bank supervisory agencies that in the public interest there should be some degree of governmental control and regulation of the acquisition of banks by bank holding companies. Such a program is clearly called for.

"The first question that arises is whether in the public interest there should be any further acquisition of banks by holding companies. [2] So far as such acquisitions are limited to an individual state, the question is primarily one for the people in that state to determine. However, if the people in a state, through legislative action, prohibit the ownership of state banks by a holding company, the same prohibition should apply to the ownership of national banks in that state.

"If a state should permit the acquisition of state banks by holding companies, then the acquisition of national banks in that state by holding companies should follow. [3] The conditions or limitations under which a holding company may acquire the stock of any state bank in states permitting such acquisitions should be determined by the state banking authorities of each state. Similar authority should be vested in the Office of the Comptroller of the Currency with respect to national banks. Final authority for approval of the acquisition of banks by holding companies within a state where such acquisitions are legal should be vested in the Federal Reserve Board under a limited grant of authority. [4] In no case should the Federal Reserve Board have the power to approve the acquisition of any state bank by a holding company over the objection of state banking authorities nor of any national bank over the objection of the Comptroller's office.

[5] "As is now the case with respect to branch banking, no approval should be given to the expansion of holding company banking across state lines. Holding companies should be required to secure charters in the states in which they operate and should not be permitted to acquire banks in other states. On the whole, holding companies have a splendid record in their operation of banks. They performed a valuable service in taking over and saving a number of banks during the depression period of the thirties. Simple fairness would dictate that holding companies owning banks across state lines should not be required to divest themselves of such ownership. However, future acquisitions across state lines should be prohibited by Federal law. Such a policy would be consistent with that now applicable to branch banking across state lines. . . ."

THE Independent Bankers statement quotes a letter written by Mr. Adams to Harry J. Harding, president, Independent Bankers Association.

"If banking is to become a monopoly," Mr. Adams wrote, "let it be because we have determined that is best for the country. Do not let it happen because we shut our eyes to the successive steps taken by the devotees of the holding company philosophy. Let us clearly recognize that just as state rights are being destroyed by encroachments of the Federal Government by what amounts to coercion and by unjustified gratuities, so are the foundations of independent banking being sapped by the successive encroachments of holding companies bulging across state lines.

"Not Too Late"

"We should know as independent bankers that it is not too late to act. The power to shape our course, having in mind the Boston resolution, still lies with the independent bankers of this great country. These independent banks constitute the strength and backbone not only of the American Bankers Association but of our great country.

"Give the facts as Lee Wiggins has outlined to our legislators, and I am sure they will see the light and comprehend their importance. If monopoly is dangerous, it can be logically assumed that the most dangerous of all monopolies is a money and credit monopoly."

Urge House Bill

In making public Mr. Adams' letter, Mr. Harding stated that he did so with the author's full permission. Mr. Harding pointed out that all five of the fundamental points are provided for in H.R. 6227, the bill approved by the House this year. He stated, however, that only the first of the points—and that partially—was covered in S. 2577, the bill sponsored by Senator Robertson of Virginia, which was voted out by the Senate Banking and Currency Committee shortly before Congress adjourned last July. He urged bankers throughout the country "to make clear to their Senators that the Senate bill in its present form was not acceptable and urged the adoption of the House version. . . ."

**YOU'RE
OUR
BUSINESS**



In addition to providing the perfect liaison system for mortgagee-dealer relations, Foremost Insurance Company—specialists in mobile home insurance—provides a Vendors' Single Interest plan protecting your interest in the chattel every minute there is an unpaid balance.

Contact your Foremost agent today for full details, or write, wire or phone:



**FOREMOST
INSURANCE
COMPANY**

**Build New BUSINESS
with
The Family Dollar**

**SAFEWAY STORES
INCORPORATED**

Common and Preferred Stock Dividends

The Board of Directors of Safeway Stores, Incorporated, on Nov. 8, 1955, declared the following quarterly dividends:

\$6¢ per share on the \$5.00 par value Common Stock.

\$1.00 per share on the 4% Preferred Stock.

\$1.07½ per share on the 4.30% Convertible Preferred Stock.

The Common Stock dividend is payable Dec. 15, 1955 to Stockholders of record at the close of business Dec. 1, 1955. Dividends on the 4% Preferred Stock and 4.30% Convertible Preferred Stock are payable Jan. 1, 1956 to Stockholders of record at the close of business Dec. 1, 1955.

DRUMMOND WILDE, Sec.
November 8, 1955



Savings Bonds Volunteers, Treasury Plan Promotion

NEARLY 200 industrialists, businessmen, bankers, and advertising and promotion representatives—Savings Bonds volunteers all—met with Treasury and Savings Bonds officials in Washington on November 3 and 4 to plan a sales operational program for 1956.

Vice-President Richard M. Nixon opened the two-day meeting. An address by Treasury Secretary George M. Humphrey closed it.

Others who spoke included Under Secretary of the Treasury W. Randolph Burgess; Commerce Secretary Sinclair Weeks; Andrew Heiskell, publisher of *Life* magazine; Bennett Cerf, author and publisher; W. J. McNeil, Assistant Secretary of Defense; John S. Coleman, president of Burroughs Corporation; Howard K. Smith, CBS European correspondent; James B. Carey, secretary-treasurer, CIO; William F. Schnitzler, secretary-treasurer, AFL; George E. Leighty, chairman, Railway Labor Executives Association; Samuel C. Waugh, president, Export-Import Bank. The group heard also from representatives of finance, business, agriculture, and national women's organizations.

Earl O. Shreve, national director of the Savings Bonds Division, said that the purpose of the meeting was

formulation of new and better sales techniques for the Savings Bonds Division, as well as promoting larger quotas for school savers, payroll savers in industry, bond-a-month customers, and cash purchasers of Series E and H Savings Bonds. Plans call for the biggest school savings promotional drive since World War II.

Christmas Club Purse

Two records were hung up by Christmas Club savers in 1955. The largest Christmas Check ever was distributed by 6,600 financial institutions to the largest number of savers in history. Twelve million, five hundred thousand Christmas Club members received an aggregate of \$1,130,000,000.

"... Now, if you can make payments on a T-V, you can acquire a savings account in our bank 'on time,' too. . . . It's exactly the same principle—only when you pay regularly into a savings account, you're paying the money to yourself for your future use. . . ." —BELLE S. HAMILTON, The First National's Tell-Tale-Teller, Leesburg, Fla.

Panel discusses "The Strength of America" at the U. S. Savings Bonds Conference in Washington, D. C., on November 3-4. Left to right: William F. Schnitzler, secretary-treasurer, American Federation of Labor; W. J. McNeil, Assistant Secretary of Defense; W. Randolph Burgess (chairman), Under Secretary of the Treasury; Fred F. Florence, president, American Bankers Association; Allan B. Kline, past president, American Farm Bureau Federation; and John S. Coleman, president, Burroughs Corporation



BANKING'S ADVERTISERS

December 1955

Actna Life Affiliated Companies	Cover II
Air Reduction Company, Incorporated	136
Allison Coupon Company, Inc.	112
American Appraisal Company, The	12
American Bankers Association	25
American Bridge Company	7
American Credit Indemnity Company of New York	138
American Express Company	Cover IV
American Steel & Wire and Cyclone Fence Company	7
Ames Safety Envelope Company	4
Australia and New Zealand Bank Limited	94
Banco Comercial Antioqueno	127
Banco de Bogota	110
Bank Building & Equipment Corporation of America	120
Bank of Montreal	121
Bank of New South Wales	30
Bankers Trust Company	2
BANKING — Journal of the American Bankers Association	29
Barnett National Bank of Jacksonville, The	142
Boatmen's National Bank of St. Louis, The	144
Brandt Automatic Cashier Company	99
Burroughs Corporation	95, 132, 133
Canning, Sisson & Associates	145
Central National Bank of Cleveland	131
Central National Insurance Companies	26
Central-Penn National Bank	4
Chase Manhattan Bank, The	109
Christmas Club, A Corporation	103
Chrysler Corporation (Airtemp Division)	8, 9
Chubb & Son	141
Citizens National Trust & Savings Bank of Los Angeles	124
Colorado Insurance Group	126
Columbia-Geneva Steel Company	7
Commerce Clearing House, Inc.	71
Consolidated Western Steel Company	7
Continental Bank & Trust Company of Salt Lake City	10
Continental Illinois National Bank and Trust Company of Chicago	32
Delbridge Calculating Systems, Inc.	14
DeLuxe Check Printers, Inc.	12
Dilliey, Martin & Hess, Inc.	94
Ebasco Services Incorporated	107
Epson Lithographing Company	124
Federal Life and Casualty Company	31
Fifth Third Union Trust Company, The	143
First National Bank of Atlanta, The	115
First National Bank of Arizona	148
First National Bank of Chicago, The	11
First National Bank of Minneapolis	67
First National Bank in St. Louis, The	91
First National City Bank of New York, The	22, 23
Flowers of Hawaii	148
Ford Motor Company (Tractor & Implement Division)	16, 17
Foremost Insurance Company	150
Friden Calculating Machine Company, Inc.	69
Gerrard Steel Strapping Company	7
Gross Company, John W.	102
Hammermill Paper Company	5
Hanover Bank, The	117
Home Insurance Company, The	118
Hygienic Dental Manufacturing Company, The	136
Imperial Bank of Canada	116
Inserting and Mailing Machine Company	123
Insurance Company of North America Companies	65
Interchemical Corporation, Ault & Wilborg Carbon & Resin Division	104, 105
International Business Machines Corporation	101
LaMonte & Son, George	Cover III
LeFebure Corporation	27
London & Lancashire Group, The	142
Marquette Cement Manufacturing Company	20
McGraw-Hill Publishing Company, Inc.	13
Mellon National Bank & Trust Company	15
Metal Products Engineering, Inc.	11
Mitsubishi Bank, Ltd., The	128
Monroe Calculating Machine Company, Inc.	147
National Automobile Dealers Used Car Guide Company	21
National Bank of Detroit	97
National Broadcasting Company (Film Division)	114
National Cash Register Company, The	119
National City Bank of Cleveland, The	124
National Shawmut Bank of Boston, The	108
National Surety Corporation	98
National Tube Company	7
Natural Color Company	90
New York Terminal Warehouse Company	140
Oil Well Supply Company	7
Old Republic Credit Life Insurance Company	126
Pittsburgh Plate Glass Company	135
Recordak Corporation (Subsidiary of Eastman Kodak Company)	62, 63
Reinhold Publishing Corporation	145
Remington Rand, Inc. (Division of Sperry Rand Corporation)	129
Royal Bank of Canada, The	134
Safeway Stores, Inc.	150
St. Louis Terminal Field Warehouse Company	6
Salomon Bros. & Hutzler	113
Seudder Stevens & Clark Fund, Inc.	110
Security-First National Bank of Los Angeles	28
Smith-Corona, Inc.	137
Stanley Works, The (Magic Door Division)	70
Tennessee Coal & Iron Company	7
Texas Company, The	124
Texas Eastern Transmission Corporation	108
Underwood Corporation	30
Union Supply Company	7
United States Bronze Sign Company, Inc.	128
United States Fidelity & Guaranty Company	111
United States Steel Corporation of New Jersey	7
United States Steel Export Company	7
United States Steel Homes, Inc.	125
United States Steel Products Company	7
United States Steel Supply Company	7
Universal Atlas Cement Company	7
Valley National Bank, Phoenix	90
Visi-Shelf File, Inc.	151
Watson Manufacturing Company, Inc.	122
Wassell Organization, Inc.	26
York Corporation	139

SAME AMOUNT OF RECORDS IN HALF THE SPACE!

**Visi-Shelf
FILE SYSTEM**

WITH DOORS

For Maximum Record Protection

and

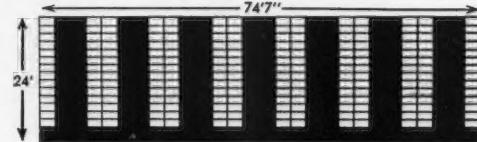


WITHOUT DOORS

For Greatest Record Accessibility!

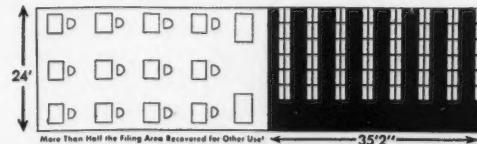
HERE'S HOW THE VISI-SHELF SYSTEM CAN SAVE YOU SPACE—TIME—MONEY

Floor Plan of an Actual Filing Area Before Installation of the Visi-Shelf Filing System



This area was occupied by 196 four drawer letter filing cabinets with a filing capacity of 784 drawers or 20,776 filing inches.

Floor Plan after Installation of the Visi-Shelf Filing System



90 Visi-Shelf Filing Units, occupying less than half the original filing area, hold all of the records previously filed in the entire filing area! These units, with a filing capacity of 25,380 filing inches offer 4,604 more filing inches—an increase of 25% in filing capacity.

Don't Delay!

Send for full details of this remarkable new Filing System!

© 1955

B-12

Visi-Shelf File, Inc.
105 Reade Street
New York 13, N. Y.

Please send free catalog describing the new Visi-Shelf Filing System.

Name.....

Firm Name.....

Address.....

City..... Zone..... State.....

**VISI-SHELF
FILE INC.**

105 READE STREET

NEW YORK 13, N. Y.

The OUTLOOK and Condition of Business

(CONTINUED FROM PAGE 33)

There seems to be a general expectation that the construction of new homes will decline in 1956 by about 200,000 to 300,000 units, bringing the total down to around 1,000,000. On the other hand, some well posted and certainly competent judges of the industry say 1956 will be just as good as 1955. You can take your pick but, if the Consensus is off the beam as far as it has been for several years, the more optimistic predictions should be nearer right.

However, the building industry is not taking any chances. Whatever slack might occur in new building will be taken up by Operation Home Improvement. This is a project in which banks have a vital concern because the building industry expects that a good part of the \$12- to \$15-billion worth of home improvement generated by special advertising in 1956 will be financed by bank loans.

The interest that publications and industry have in the project is obvious. Publications sell advertising, industry sells dealers, dealers sell consumers, everyone collects and moves on to the next customer, but the bank making a loan must follow through on it. The position of the bank is, therefore, somewhat different and special. It is identical with that of the consumer. The bank wants to be sure that the householder gets his money's worth, that the improvement adds to the value and utility of the house and that the loan is repayable.

This Operation Home Improvement is going to roll along in any case, so the banks are in it automatically. Therefore, it will become a matter of paramount importance that the special point of view of the banks should be made constantly clear. The attitude of the monetary authorities at any given time is something for the banks to watch. This attitude in turn depends on the course of business and the way credit is being used.

If restraint is the signal, banks will be largely guided thereby. If the policy should change to ease or one of the various brands of ease, most banks will probably go along. But no matter how much whoop-de-do takes place urging the public to buy a patio for good gracious living or 300 horsepower to get away from the patio, the policy of the banks will always be to see that the borrower does not get in over his financial head.

Many bankers are already taking the position that customers should finance as much as possible of their building and buying out of savings, in order to keep their debt as small as possible and repayable.

Direction Still Up

One of the most unpredictable factors in the economy, over-all consumer spending, has pushed gross national product to a record rate of \$392-billion a year, on the basis of third quarter figures. Since employment is increasing, there is no reason to assume that a decline from the current level is in the offing. In fact, many expect the rate will cross the \$400-billion line before long.

The way this measure of the national waistline has changed can be shown briefly by recalling that it was about \$104-billion at the 1929 peak, about \$55.5-billion at the 1933 bottom, and only \$215-billion at the height of wartime activity in 1945.

Personal income is steady now on a per capita basis. All this foreshadows booming business for the holiday season and, perhaps, new high records for retail, wholesale, and manufacturing activity.

The steel industry is operating at nearly 100% capacity, which means more than 140% of the 1945-1949 capacity, yet there have been warnings of a possible shortage of steel. General construction, the highways and the increasing population, not to mention the automobile industry, provide the background for this picture.

Despite dire forecasts, automobile production is at top levels. Some of the seers suggest it may be an 8,000,000-car year. Annual production, heretofore, has rarely exceeded 6,000,000 units.

Profits of industrial corporations for the full year 1955 promise to be the highest ever.

Slim Picking for Pessimists

Unfavorable signs are rated as minor. One is a recent tendency of housing starts to decline. If they continue to shrink, the Government, of course, can revoke the minor mortgage credit curbs of last July. Other construction as a whole, however, continues to rise.

Agriculture's total income is down by something like 10% from first postwar years. But farm population has been declining, too, bringing an actual rise in per capita income.

A possible significant factor is that, despite alleged farm income distress, farm land values are rising.

Nevertheless, the declining aggregate farm income is an inescapable political problem.

A college professor was seated at dinner recently next to a midwestern Senator. The conversation turned to parity and the professor suggested, with a straight face, that the instructors of our youth would like a little parity, too. How to do it? Very simple indeed. Give professors more class hours but take these out of production by not requiring students to attend. By paying the professors for not teaching, something approaching parity in terms of 1910 or 1911 might be painlessly achieved. The Senator's reaction is not reported.

Even if the good luck of rising Treasury revenues brings us closer to a balanced budget this year, a political tax cut will probably reverse the fiscal picture to one of inflation, and this on top of an unprecedented boom. Such a change will complicate both the technical and the political problems of monetary management.

Another unfavorable development is that the Administration's hopes of a more peaceful international environment seem to have gone the way of all previous hopes of the same nature. In particular, the Middle East situation discourages officials because it reflects a basic conflict between our national defense needs abroad and the "needs" of some politicians at home.

WILLIAM R. KUHNS

